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The economic olympics

Perhaps, while the nation still holds fond memories of flickering images on the nightly television screens, it might be a good opportunity to point out that, while the Lillehammer Olympics may be over, there is another kind of olympics still going on.

It has no tympanic resonance going for it and no soaring flame of gas reaching into the heavens to light the way for spectators. It has no breathless commentary about triple axels, luge runs and slalom gates.

Yet it's a whole lot more important to keep this nation competitive in the economic olympics than it is to worry about the final medal counts from Lillehammer.

Let's face it. In today's global economy, the day-to-day competition among nations is every bit as fierce as the battles so recently waged on the slopes and rinks of Norway. This is not meant to denigrate the skills and courage of those athletes who risked all for the thrill of victory and a gold medal. We can't easily forget the indomitable spirit of an American speed skater, down to his last chance, putting it all together in one last great run for glory. But we also must recognize there is more at stake for all of us in the economic olympics. Losing at sports can break your heart. Losing in the economic olympics can cripple a nation.

The Administration has recognized America's needs in this regard by pushing for Congressional passage of the North American Free Trade Agreement (NAFTA) and completion of the talks leading to the conclusion of the Uruguay round of the General Agreement on Tariffs and Trade (GATT).

But more has to be done to keep our country competitive in global markets. The problem is that very often the Congress will reach for short-term legislative solutions to solve the nation's environmental, fiscal, social and other problems. And, all too often, the burden of paying for these programs lands on the backs of American business.

Unfortunately, the world economy isn't going to make any exceptions for us. And American businesses face stiff competition both at home and abroad from foreign competitors who, without similar burdens, frequently are able to operate at lower costs.

This is not to suggest that American business should not play its part—or pay its share—to solve some of the vexing social problems facing our nation. What we would like to propose, however, is something we've put forward in the past: Economic Impact Statements.

We have seen Environmental Impact Statements become part of nearly every major American business proposal put forward in recent years. And we won't deny some of those have proven beneficial. But the economic side of the coin is equally important for a nation that wants to maintain its national health in today's world.

Isn't it time, then, for our Congress and our regulators to impose on themselves the need to provide Economic Impact Statements when writing laws or developing rules that will, inevitably, affect the economy? How will these regulations impact jobs? Productivity? Capital spending? Taxes and government spending?

By raising these questions and making them a part of the governmental process, the nation will have the opportunity to gain some perspective on how government actions might affect the nation's pocketbook and our ability to compete both here and abroad. And to decide whether those actions are worth the cost.

It could make all the difference on whether we go for the gold or get left in the locker room.

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Spring 1994 **policy REVIEW** Number 68

Manna 2 Society *Adam Meyerson* **4**
The Growing Conservatism of Black America

Poor Suffering Bastards *David W. Murray* **9**
An Anthropologist Looks at Illegitimacy

We Can Do Bettah *Thomas J. Bray* **16**
Bill Clinton's Bronze-Medal Economy

Zebra Territory *Victor Trevino* **21**
The Courage of Houston's Volunteer Cops

A Mom and Pop Manifesto *Representative Henry Hyde* **29**
What the Pro-Family Movement Wants from Congress

Race Against the Cure *Robert M. Goldberg* **34**
The Health Hazards of Pharmaceutical Price Controls

Responses to William Bennett's "Spiritual Despair" *A Symposium* **43**
Elizabeth Fox-Genovese, Os Guinness, Joshua O. Haberman, Mark Noll, Dennis Prager, **James V. Schall, Bret Schundler**

Beware the Ides of April *Charles Adams* **48**
High Taxes—And The Decline and Fall of Civilizations

The Status Cuomo *Thomas W. Carroll* **54**
New York's Decade of Liberal Greed

Ante Freeze *John Hood* **62**
It's Time to Stop State Bidding Wars for Big Business

Politics from the Shadowlands *John G. West Jr.* **68**
C. S. Lewis on Earthly Government

Make Way for Ducklings *Brian Jendryka* **72**
The Sky Is Not Falling on America's Birds

Condom Nation *Jacqueline R. Kasun* **79**
Government Sex Education Promotes Teen Pregnancy

Letters: Responses to Armey, Bonilla, Reed, Strock, and others. *letters to the editor* **83**

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If Drug Companies Weren't Discovering New Medicines, Where Would They All Come From?

Source: Center for the Study of Drug Development, Tufts University (1991); Pharmaceutical Manufacturers Association Survey

A 1991 study by Tufts University shows that private industry was the source of more than 92 percent of new prescription drugs approved in the U.S. during 1981-1991, while the Government accounted for just one percent. And of the 100 most prescribed patented drugs in the U.S. in 1992, 99 were patented by private industry. For more information call the Pharmaceutical Manufacturers Association at 1-800-538-2692.

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MANNA 2 SOCIETY

The Growing Conservatism of Black America

ADAM MEYERSON

An earthquake is about to rock American politics at its foundations. Sometime before the end of this century, a very substantial minority, if not a majority, of African Americans are going to begin identifying with political conservatism rather than political liberalism. This cataclysm will not necessarily benefit the Republican party, because many of the most articulate voices of the new black conservatism will be Democrats. But the epicenter of American politics will move sharply rightward.

Rumblings of this earthquake are already being heard across the landscape. An early tremor was the confirmation hearings for Clarence Thomas in 1991. Despite the bitter opposition of the civil rights leadership, 61 percent of African Americans approved of Mr. Thomas's nomination for the Supreme Court. Rapt TV viewers watched dozens of articulate, well-educated, conservative African Americans, most of them never seen before on the national media, appear at the hearings to express their admiration for Mr. Thomas. Zeta Phi Beta, a black sorority with 75,000 members, testified on Mr. Thomas's behalf, calling him one of America's most important role models for troubled black youth. Four hundred black pastors flew to Washington, marched down Constitution Avenue, and lined the hallways of Congress to show their support for the embattled nominee.

SCHUNDLER-SHOCK

Then came Schundler-Shock: the landslide re-election victory in May 1993 of Bret Schundler as mayor of Jersey City, New Jersey. Mr. Schundler, a conservative Republican, won 40 percent of the black vote and 75 percent of the Hispanic vote, running on a platform of lower taxes, educational choice through school vouchers, and reassigning police officers from desk jobs to street patrols. A resident of a Puerto Rican neighborhood and a long-time community activist, Mr. Schundler bypassed the established black and Hispanic leadership and took his "Fighting for You" message directly to minority voters through direct mail and door-to-door campaigning. He found a receptive audience even in the poorest neighborhoods, and won a majority of votes in a predominantly black public housing project.

Few Republicans since the mid-1960s have won more than 10 percent of the black vote. Exceptions include Richard Thornburgh, who carried 58 percent of the black tally running for governor of Pennsylvania in 1978; Governor Tom Kean of New Jersey, who picked up 60 percent in his 1985 re-election race; and Senator Thad Cochran of Mississippi, who has so much black support that the Democratic party didn't even put up a candidate against him in 1990. Governors Jim Edgar of Illinois and Christine Whitman of New Jersey, and Senators Jack Danforth and Kit Bond of Missouri, Arlen Specter of Pennsylvania, and Connie Mack of Florida have all won at least 20 percent black support in their latest elections. Governor Tommy Thompson of Wisconsin won 25 percent of the black vote in 1990–in part because of his support for Polly Williams's voucher plan for inner-city Milwaukee parents.

What made the Schundler victory so earth-shattering was that his support from blacks came in spite of a well-organized effort by local black leaders to defeat him. Usually when a Republican does well winning black support, it's because the local black leadership is dissatisfied with the Democratic candidate, and either doesn't bother to turn out the vote or turns out for the GOP. In Jersey City, by contrast, black political leaders were united for the Democratic candidate, and Jesse Jackson came to town to denounce Mayor Schundler as a racist. That Mr. Schundler won decisively has given the shakes to every big-city machine in America. Liberal Democratic machines know they can no longer automatically deliver the black vote against an attractive conservative candidate with deep roots in minority communities.

The next shocker was the growing support for law-and-order candidates in black neighborhoods. Conservatives have always considered crime control one of the highest priorities of government, and it's becoming clear that large numbers of blacks agree. Conservative Republican George Allen picked up 20 percent of the black vote in his successful race for governor of Virginia last November. His call to abolish parole for three-time violent offenders was especially popular in black neighborhoods, according to pollster John McLaughlin.

Also last November, Tom Fetzer was elected mayor of

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Raleigh, North Carolina, the first Republican to carry the city since Reconstruction. Mayor Fetzer ran on a platform of low taxes, privatization, and crime control, and his margin of victory came from his 20-percent showing on Raleigh's black southeast side, where he combined calls for more police protection with a visit to the family of a young man allegedly killed without provocation by police. Smart Democratic politicians like Bill Clinton and Mario Cuomo quickly started talking tough on crime to protect their black as much as their white base.

A Black Archie Bunker

Outcrops of black conservatism are popping up all over the country. The new Treasurer of Ohio is Kenneth Blackwell, a former top aide to Jack Kemp with a strong political base in Cincinnati, where he had been city councilman and mayor. In Jacksonville, Florida, black conservative Marc Little, an entrepreneur and television personality, is challenging black liberal Congresswoman Corinne Brown, in what is shaping up to be one of the most ideologically significant congressional races of the year. Conservative Republican J.C. Watts (the initials are for Julius Caesar), formerly a champion quarterback for the University of Oklahoma, was elected in 1990 to the Oklahoma Corporation Commission, and is thinking of running for Senate should David Boren become president of his alma mater. Nona Brazier, co-owner with her husband of a Seattle construction company, is chairman of the GOP in King County, Washington.

Black radio talk show hosts such as Armstrong Williams of Washington, D.C., Bill Thomas of Norfolk, Ken Hamblin of Denver, and Alan Keyes of Baltimore are finding large audiences for their conservative messages. Tony Brown's PBS television show regularly features black conservative guests. There are at least five conservative black periodicals: *Destiny*, published by Emanuel McLittle in Lansing, Michigan; *National Minority Politics*, published by Willie Richardson in Houston; *Urban Family*, published by John Perkins in Pasadena, California; *Issues and Views*, published by Elizabeth Wright in New York; and *Lincoln Review*, published by J. A. Parker in Washington. Even Hollywood is sensing a change in political winds: Norman Lear is planning a sequel to "All in the Family," in which the Archie Bunker character will be a black conservative.

Perhaps no politician better understands the change in black political attitudes than Bill Clinton. The president's rhetoric, much more conservative than his policies, emphasizes personal and parental responsibility and draws heavily on the Bible. It is exactly in tune with the black electorate, especially the 55 percent of African Americans who live in the South. The president's attack on crime, at a black Memphis church service honoring Martin Luther King, drew amens across black America. His attack on racist comments by Sister Souljah in the 1992 campaign may have angered Jesse Jackson but it didn't hurt him at all with black voters; now groups like the National Political Congress of Black Women are leading protests against Gangsta Rap.

Nearly a third of voting-age blacks identify themselves as conservative, according to a 1992 poll by Home Box Office and the Joint Center for Political Studies. The same poll found that 88 percent of blacks familiar with school choice proposals favor them; 91 percent of blacks support letting tenants buy public housing and 88 percent support the eviction of tenants from public housing if convicted of using or selling drugs; and 57 percent oppose additional benefits for single welfare mothers who have additional children. Black men, interestingly, seem to be more conservative than black women–at least in voting behavior. While only 12 percent of black women voted for George Bush or Ross Perot in 1992, 22 percent of black men did.

Many important white conservative organizations, meanwhile, are stepping up efforts to attract black membership. Focus on the Family is organizing an urban ministry program dedicated to restoring the black family. The Christian Coalition is aggressively signing up black and Hispanic members. The Traditional Values Coalition, organized by Reverend Lou Sheldon, unites black and white pastors in opposition to government efforts to legitimize homosexuality. Fifteen black conservatives working with Project 21, a program of the National Center for Public Policy Research, published a document, "Black America 1994, Changing Direction" to compete with the National Urban League's annual "State of Black America."

Fault Lines in Liberalism

Black support for conservatism is likely to accelerate, as gaping cracks and fault lines appear in black liberalism. Up to now, for instance, government employment has been the most important avenue of upward mobility for African Americans. Nearly 30 percent of the black labor force, and roughly half of college-educated blacks, work in the public sector. And for hundreds of thousands of black families, work as a mail carrier, bus driver, school teacher, hospital receptionist, army sergeant, or police officer has been the ticket into the property-owning middle class.

The problem for black America is that the growth of government employment is now over. Taxpayers simply won't permit it to continue. President Clinton is promising to cut the federal work force by 12 percent. Confronted by near-bankruptcy, new mayors in Los Angeles, New York, and Philadelphia are scaling back the number of city jobs. The liberal black leadership can fight a rearguard battle to protect existing public sector jobs. But it will be unable to provide economic opportunity for younger generations of blacks.

The same is true of industrial labor unions, until recently another important avenue of advancement for African Americans. Blacks have gained many high-paying, high-benefits jobs in the auto, steel, and other heavily unionized manufacturing industries in the Midwest, Northeast, and California. Members of the Congressional Black Caucus voted overwhelmingly against NAFTA, in a losing effort to shield these jobs from competition from Mexico. Again, though, this is a rearguard action. In a world of ever-tougher international competition, the days of high pay for semiskilled labor are over. Economic advances for blacks in the future will have to come from highly skilled work, as well as from black entrepreneurship.

Meanwhile, it's become clear that liberalism is totally

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unprepared to take charge of the next stage of the civil rights revolution: The restoration of strong families and communities in America's poor and working-class neighborhoods. It is impossible to equalize opportunities for African-American children when 70 percent of them are growing up without fathers. It is impossible to share in the American dream when mothers are afraid to let their children play outside, when businesses are afraid to open shop, when secretaries and mailroom clerks are afraid to work overtime or go to night school lest they be shot or robbed on the way home.

Liberalism has no answers for these catastrophes. Nor does it have any answers for the dismal state of public education, especially in big cities. If a mind is a terrible thing to waste, then it is a national tragedy that millions of minds are being wasted by the low standards and unruly classrooms in public schools. Liberalism, though, has no answer other than to throw more money at schools that do not work.

The Challenge of Conservatism

Conservatism does not have all the answers, either, but at least it asks the right questions. Conservatives believe that the collapse of the family–white as well as black–is the most serious problem facing America today, the most important root cause of crime, poverty, academic failure, and personal unhappiness. The liberal answer is financial help for broken families. Conservatives say that's not enough; more than money, children need parents who love them and love each other.

Conservatives think one of our society's highest priorities must be to provide moral authority to young people. Unlike liberals, we think this is a higher priority, say, than sex education or make-work public-sector summer jobs. Boys and girls need and want to be told, lovingly but firmly, what's right and wrong. That means they need fathers, uncles, churches, mosques, Boy Scout troops, mentors from 100 Black Men, Little-League coaches, drill sergeants, military-style boarding schools, even jobs at McDonald's which teach teamwork, reliability, and customer service.

Conservatives think there is a moral obligation to help those who cannot help themselves—and that many Americans need more help than they are getting now. But we also think that too many people on public assistance are abusing the generosity of their fellow citizens, and in so doing taking away funds from those who need help the most. We think it is morally wrong for unmarried girls and women to deliberately have children and then expect to be taken care of by the government. That is cruel to the children, and to the disabled and widowed and mentally ill who suffer because public assistance is spread too thinly.

Conservatives reject racial discrimination, and think we were wrong to oppose the civil rights and voting rights legislation of the 1960s. We oppose public policies that discriminate against whites, Hispanics, and Asians as much as those that discriminate against blacks. We believe Americans of all races should be held to the same performance standards, and if there is a disparity in outcomes, then we believe in raising the performance of low scorers, not lowering the standards. The U.S. military provides an excellent model: It has provided extraordinary opportunity for training and advancement to African Americans, in part because it has kept performance standards so high.

Religious Bedrock

Conservatism looks to two institutions, above all, to provide greater opportunity to black America. One is the growth of black-owned business–not business artificially sustained by minority set-asides, or Small Business Administration loans, or Section 8 Housing and Urban Development programs, or shakedowns of big companies like Denny's that are threatened with boycotts or litigation if they don't deal with black firms; but entrepreneurs directly serving families and other businesses on the basis of high quality and low price. The conservative dream is for African Americans to be full participants in the private enterprise economy, the source of America's dynamism, creativity, and prosperity.

The second institution is religion. Black pastors–and imams–have an indispensable role to play in the moral and economic restoration of their communities. No one is in a better position to bring men and women back together, to foster responsible fatherhood and motherhood, to teach virtues to children, to convert criminals into law-abiding citizens, to alter self-destructive behavior that is tearing apart families and communities as well as individual lives.

Many African-American religious leaders are beginning to realize, moreover, that churches and mosques can replicate the keys to the economic success of Asian immigrants, Mormons, Jews, and other groups that have prospered in the face of overwhelming discrimination. If the members of a particular church gain a reputation, for example, for integrity and reliability, they will be sought after as employees, borrowers, and business partners–especially by other members of the church. Reverend Tony Evans, founder of the Urban Alternative in Dallas, is building on this insight, as he builds links between poorer inner-city churches and more prosperous suburban ones.

As Robert Woodson of the National Center for Neighborhood Enterprise has argued, a deeply conservative tradition runs through African-American history. Until the 1960s blacks had strong marriages, a strong entrepreneurial culture, a strong mutual-aid tradition, strong neighborhoods, and strong churches. All these institutions have weakened under liberalism. Contemporary conservatism seeks to restore them. And when they are restored, Americans of all races will build their lives on sturdier bedrock. ☎

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THE QUOTA PARADOX

by John Berlau

Conventional wisdom says that Republicans cannot pick up more black support unless they go along with quota legislation that has a civil rights label. The experience of George Bush, however, suggests that this advice may be wrong. President Bush's support among blacks, rather than increasing, dropped sharply when he agreed to sign the Civil Rights Act of 1991.

Mr. Bush began his administration with the highest sustained black approval ratings of any Republican president since Dwight Eisenhower. Having won in 1988 with only 12 percent of the black vote, Mr. Bush soon repaired his image among blacks, which had been tarnished by the divisiveness of the Willie Horton campaign. The new president went to a black church service to celebrate Christmas. He appointed Jack Kemp, a well-respected politician in black communities, as Secretary of Housing and Urban Development. He made important black appointments to top jobs—among them Colin Powell as Chairman of the Joint Chiefs of Staff and Louis Sullivan as Secretary of Health and Human Services. Through most of 1989 and early 1990, Mr. Bush's black approval rating in Gallup polls was over 50 percent. In March 1990, it reached 63 percent.

In mid-1990, when the president broke his tax pledge and the economy headed south, Mr. Bush's popularity fell among blacks and whites both. By July 1990 the president's black approval rate had fallen to 42 percent. Democrats in Congress, meanwhile, were pushing legislation to overturn Wards Cove, a 1989 Supreme Court judgment reversing earlier decisions that forced employers to institute de facto quotas.

In October 1990, Mr. Bush vetoed the Civil Rights Act of 1990, calling it a quota bill. The president's Gallup approval rating among blacks fell to 27 percent, from a September level of 39 percent.But the drop is not necessarily traceable to the veto. The president's support among whites dropped even more dramatically, largely because of Mr. Bush's budget deal.

With the Gulf war victory in early 1991, Mr. Bush's black approval rating bounced back, and hovered around 50 percent through mid-October of that year. The president gained support from blacks when he nominated Clarence Thomas to the Supreme Court and stood by him in the face of Anita Hill's allegations of sexual harassment. Even after the NAACP and the Congressional Black Caucus opposed his nomination, 71 percent of blacks, polled on the night before the confirmation, wanted to see Mr. Thomas confirmed.

But only a week after Mr. Thomas was confirmed, President Bush reversed course and agreed to sign the Democrats' Civil Rights Act of 1991, a bill much like the one he had vetoed the year before. Under the legislation, any business practice which results in a statistical racial disparity automatically makes an employer guilty of discrimination unless he can meet a rigid definition of "business necessity."

Mr. Bush's black approval rating plummeted. In the Gallup poll of October 17-20, immediately following the Thomas-Hill hearings, Mr. Bush had a 55 percent nonwhite approval rating. One week later, it had fallen to 36 percent, a 19-point drop.

The drop appears to stem from a specific action Mr. Bush took that bothered blacks, because during this polling period, the president's white approval rating dropped only one point, from 68 to 67 percent. The only minority-related decision from the White House that week was Mr. Bush's signing of the civil rights bill. Could it be that Mr. Bush's compromise somehow offended the very people he was trying to appease?

This was the suggestion of Larry Hugick, then-managing editor of the Gallup Poll Monthly, after breaking down the poll data. On October 24 Mr. Bush's nonwhite approval rating had leveled off to 44 percent, exactly what it had been the week before the Thomas-Hill hearings. Over the three days after he agreed to sign the bill, however, Mr. Bush's nonwhite approval rating dropped to 28 percent and his disapproval soared from 38 percent to 56 percent. Mr. Hugick suggested that the president's decline was due to "the adverse publicity that he received as a result of that particular issue [civil rights]."

Until that time, Mr. Bush's black and nonwhite approval ratings had rarely dipped below 50 percent. After Mr. Bush signed the Civil Rights Act, they never climbed above 40 percent in any poll published in the Gallup Poll Monthly. The drop in Mr. Bush's Gallup nonwhite approval rating corresponds to a drop in his share of the black vote in a CBS News/New York Times poll. In mid-October 1991, 24 percent of blacks said they would vote for President Bush over a Democrat. In November, that number had dropped to 11 percent.

By agreeing to sign what he had previously called a "quota bill," the president appeared to validate his critics' assertions that his opposition had been merely a "race-baiting" ploy to gain white votes. Indeed, the day after the agreement, Senator Edward Kennedy gave Mr. Bush this backhanded compliment: "I think President Bush deserves credit for rejecting at long last the advice of those who have been urging him to divide the nation over race."

Mr. Bush ended up winning only 11 percent of the black vote in 1992. For a few years, however, he was able to stand racial politics on its head. Mr. Bush was able to sustain a high black approval rating by reaching out to black Americans even as he opposed racial quotas. His sudden drop in approval after agreeing to sign the Civil Rights Act of 1991 shows that waffling on affirmative action turns off blacks more than opposition to quotas.

JOHN BERLAU *is a journalism student at the University of Missouri.*

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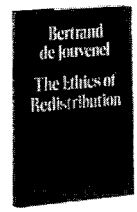

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Poor Suffering Bastards

An Anthropologist Looks at Illegitimacy

David W. Murray

America is becoming a nation of bastards. Thirty percent of the children born in 1991 were out of wedlock, up from 5 percent in 1960. Families are no longer simply breaking apart—with one in two marriages ending in divorce. More and more parents today aren't marrying at all. The growth of illegitimacy is most severe in the inner city, but the phenomenon is not exclusive to any race or sector of society. More white children than blacks are born and raised out of wedlock, and it is among whites that illegitimacy is rising most rapidly.

The dangers of this growth in illegitimacy are now widely recognized. Single-parent families are five times as likely to be poor as two-parent unions. Broken and unformed families are the most important root cause of violent crime, drug abuse, and academic failure. The psychological toll is enormous: Boys and girls, especially teenagers, are emotionally devastated by the absence of fathers who combine love and discipline.

For an anthropologist, the widespread failure to marry is a sign of impending disaster. Cultures differ in many ways, but all societies that survive are built on marriage. Marriage is a society's cultural infrastructure, its bridges of social connectedness. The history of human society shows that when people stop marrying, their continuity as a culture is in jeopardy.

Marriage is the very basis of society because it creates kinsmen out of strangers; it turns hostile outsiders into "in-laws." The Zulus have a saying, "They are our enemies, and so we marry them." By uniting with outsiders, marriage helps families multiply their economic capital—and, perhaps even more important, their social capital. You and your wife's uncle may not like each other very much, but marriage imposes a set of reciprocal obligations on you; you are at least partly responsible for looking out for each other's well-being.

The early anthropologist Edward Burnett Tylor observed in 1888 what has become an anthropological maxim: "Savage tribes must have had plainly on their minds the practical alternative between marrying-out and being killed-out." Tylor was seeking to explain the universality of the incest taboo. His phrase "marrying out" expressed the realization that families, in order to survive, need alliances and networks with others. Exogamous marriage, or taking a spouse from outside your immediate group, is the best way of building such networks.

Anthropology records an interesting variety of marital form and family structure, but no society builds the arch of social experience without the keystone of marriage. Let the stakes be clear: When American society experiments with ever-higher numbers of illegitimacies and single adults, we risk being crushed by our own roof. Children "out of wedlock" are ill-fitting stones.

"He Has No Relatives"

"Bastard" has always been a pejorative term. The word is a Spanish idiom: *bastardo,* or "pack-saddle child"; the French term is *fils de bast,* the child of the saddle bag, implying rootlessness. An alternative etymology derived from the Saxon "base" or lowly, and "start" or origin. Being a bastard was to be a "natural" child, lying outside of society.

The name is an insult, "bastard" being associated with mongrel or inferior breeds of animals. The inferiority derived from improper mixture, or blending. The *Oxford English Dictionary* cites a phrase from 1641, "To beget and bring forth mules, a bastard brood." Spurious, adulterated, debased, corrupt, unauthorized, and counterfeit are other connotations of the word.

Our colloquial language expresses this concern. Consider how the word "bastard" has come to mean someone heartless, cruel, or prone to cheat. We are not alone in this judgment. A Navajo saying captures well the universal stigma that attaches to illegitimate offspring. *Do Ahalyada,* they call them, "those who care for nothing." The worst social characterization the Navajo can offer of a thoughtless, deviant man is the charge that "he acts as if he has no relatives." This phrase tells us that being embedded in relationships, in a network of legitimated and recognized kinsmen, is a powerful reinforcement for moral action.

A man with no relatives, the Navajo feel, is a man with no concern for the shame or honor that his behavior might bring upon those he loves. He acts, therefore, without control or humanity. European countries of the Middle Ages felt the same, regarding illegitimate children

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as virtual outlaws. They called them *filii nulii*, those "without relatives."

We see a similar phenomenon in modern America. People concerned about the reactions of relatives behave differently than do people who are "atomized" as anonymous strangers. The husband at a distant convention, or the tourist abroad, may do things under the cover of anonymity that would bring embarrassment were they done in front of one's mother, wife, children, or in-laws. A culture of bastards is a world of hardened carelessness.

Domesticate the Male

That women domesticate men who marry them has been widely noted; indeed "groom" derives from *guma*, Indo-European for servant. In addition, children domesticate both men and women. In American cities the presence of children has become a "miner's canary" for social health; where we find children playing, there we find safety for ourselves. Consider how we feel in a potentially threatening neighborhood where two young males approach. There is a relief that comes from seeing them hand-in-hand with a young child. We recognize instinctively that males caring for children are not seeking violence.

Neighborhoods without fathers, by contrast, are seedbeds for predators. Without a female *and* a male who consider themselves responsible for children, the stable features of social continuity are not constructed. Without marriage, there are fewer relatives—fewer people to help when things go wrong, fewer people to set a moral example. Children are any society's greatest hope, at the same time that they are its greatest threat. Since citizenship, as with any art, is made and not born, children are the most consequential social investment. Bastards are undercapitalized.

TO BE A KINSMAN IS TO HAVE A SOCIAL IDENTITY; IN THE ABSENCE OF KIN RELATIONS, ONE IS ALIEN AND A POTENTIAL THREAT.

And they die for it. Shakespeare's Timon shouts in his rage, "Spare not the babe ... think it a bastard ... and mince it *sans* remorse." This is not just a Western prejudice. In cultural contexts far removed the vulnerability of the bastard is a troubling theme. For the Nyakyusa of Tanzania, reports Monica Wilson, being illegitimate is dangerous. Nyakyusa ancestors jealously guard procreation, and must sanction childbirth. But if a man fails to legitimate his children, he is powerless to intercede for them when the ancestors cause disease. The agony for a father of bastards is that his negligence may kill them. Legitimate marriage is their protector, as it is ours.

Why do we marry? To have children, of course. But we marry not just to procreate, for children can come forth even without marriage. To the social scientist, the principal function of marriage is to legitimate the children born of the formal union. This turns out to be the only sufficiently comprehensive definition of marriage that anthropologists, confronting the enormous variety of human social forms, have found applicable to all of them. "Marriage is," as a famous manual of ethnography, *Notes and Queries*, proclaimed, "a union between a woman and a man such that the children born to that union are the recognized, legitimate offspring of both parties."

Pater vs. Genitor

The legitimacy that comes from marriage is the source of an individual's social identity, and, conversely, the breakdown of marriage is an index of deep social alienation. Legitimacy is so important that in the English common law tradition, men and women were considered to be married after cohabiting for a number of years. Similarly, most cultures try to ensure that every child have a *pater*, a father who assumes full responsibility for the child, even if he is not the biological *genitor* who actually sired the child.

Among the Nayar of India, a woman takes several men to wed. Any one of them could be *genitor*, but only the man who performs the correct ceremony may be *pater*, or the one who functions in the role of father. The Nuer of the Sudan practice "ghost marriage," which enables a dead child to be a *pater* after his adult brothers take a wife in his name. They do this so that a patriline will not die out. The Nuer *pater* may even be a woman of property, who marries wives and "fathers" the children sired by others. Merely having a *genitor* in society is not enough, for without a *pater*, a child is not "recognized," nor "authorized" to receive his parent's property offices, or protection.

Here is the pertinent meaning of the "legitimacy" of children: Legitimacy is nothing more nor less than the orderly transfer of social meaning across the generations. Remember that children are the ultimate illegal aliens. They are undocumented immigrants to our world, who must be socialized and invested with identity, a culture, and an estate. By conferring legitimacy marriage keeps this process from becoming chaos.

So legitimacy is not just the concern of judgmental moralists, but a problem for every human group. This is true even in cultures where descent is traced matrilineally, as with the Hopi or Iroquois and many African peoples. All children born of the mother are legitimated through the mother's brother, the real lineage authority from whom they inherit. Children "belong" to the lineage and have additional filiation with their father's lineage. Matrilineal societies can tolerate a high incidence of divorce, but they cannot survive without marriage, for rules of exogamy integrate lineages into political communities. Without marriage, these societies fragment.

Traditional society is composed of only two kinds of people—relatives and strangers. The social world centers around kinship identities, and relatives are those with whom you work, worship, ally, sleep, play, and die. Kinsmen bear you, nurse you in illness, initiate you into adulthood, protect you from injustice, and bury you into the order of the ancestors.

To be a kinsman is to have a human identity; in the absence of kin relations, one is an alien and a potential

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Marriage ties whole families together in mutually supportive social and even political relationships.

threat. Often, one's "first name" may be unused in public life, for a kinship title suffices. A man may be known as Faisal Abu Abdullah, "father of Abdullah," or Graham MacGregor, "the son of Gregor," or Alexei Alexandrovich, "son of Alexander." The lifelong friend may be called "Uncle," to teach the children what he means to the family, while old men of the village become the "Grandfathers." Though the dominant pattern in the United States is for people to live among strangers, even American couples will call each other Mother and Father, "naming" themselves as the parents of children.

Badges of Society

Kinship terms are different than personal names. In reality, they are badges or insignia for various offices in society. Appropriate behaviors attach to them which are publicly known. Some terms we acquire by virtue of being born, but those which tie one family to another are constructed only by marriage.

The illegitimate cannot get a position in this system. Because bastards do not have an official status, relationships with them are not marked and choreographed as they are with kinsmen. Their kinship identity is amputated, as it were, and they, like the notorious "half-breeds" of the frontier, stand between two systems of family structure, not at home in either. In the best case, an illegitimate child can still have *personal* relations with biological relatives, as the research of Carol Stack showed for American black families in 1974. But these relationships are not with formal kinsmen, in the legal sense, and claims upon them are contingent and avoidable.

If, as Navajos say, acting humanely depends upon the presence of kinsmen, then we must have social ties to each other that involve public recognition. We see this need particularly in the contrast of *genitor* and *pater*. Sexuality is private. Generative acts are intimate acts, and hence the *genitor* may decline to acknowledge them. Marriages, however, are public cermonies, beginning with the "publishing of the Banns." The public enactment of becoming a *pater* makes the role hard to evade. In a private room one may make commitments to deity, to learning, or to a lover. But the ordination of a priest, the conferring of a baccalaureate, or the plighting of a *pater* make public acknowledgment of rights and duties.

Marriage is the act of creating formal kinsmen who are bound to help us, and the ceremony of marrying, itself, helps to create in us moral sentiments of commitment and formal responsibility. The absence of marriage is not only a major reason why single parents are found so often in poverty, but why their children so often become solitary victims and victimizers.

Upward Nubility

Children are served by legitimate marriage, but the adults involved are protected as well, especially the elderly. The Chinese aspiration for a son to provide security

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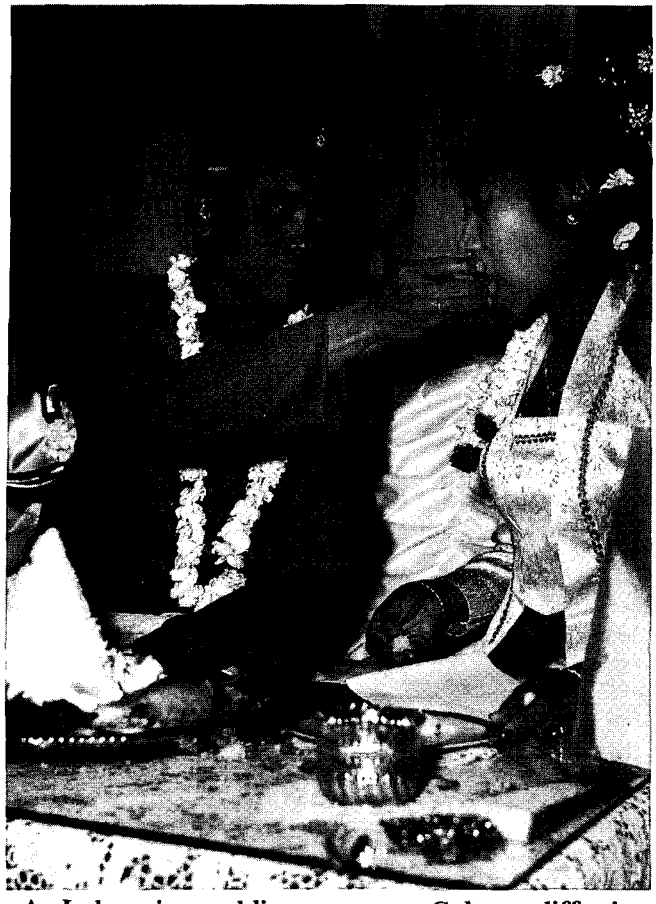

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An Indonesian wedding ceremony. Cultures differ in many different ways, but all societies that survive are built on marriage.

to the aged parent is a hope found throughout the world. Sons and daughters represent continuity with all the generations of a people, being the parent's duty to their past. The children in turn are tied to parents by bonds of reciprocity which repay the parents' sacrifice.

Moreover, marriage, which creates legitimate children, ties thereby whole families of people together into mutually supportive social and even political relationships, increasing the network of responsibility for the union and its children. As the royal houses of Europe knew, it is families and even nations that wed each other, and not just bride and groom. In fact, ambitious families often regard their young as a resource. Some may literally deploy their offspring in matchmaking, as has been found in history with the dowry. A substantial dowry allowed a girl to elevate her own and her family's status, creating "upward nubility." The dowry was a tactic that families used in the competition for social alliances, and children were regarded as valuable family resources. Parents guarded their daughter's virginity so as not to lose her marital value.

Where European and Hindu society used dowries to construct marital alliances, many traditional peoples used bridewealth, such as sending cattle to the bride's kin. "Cattle beget children" is a famous phrase of the Nuer of the Sudan. By suppressing bridewealth upon the advice of missionaries, colonial administrators found the family system disintegrating. Divorce rates became so high that they restored the practice.

Bridewealth established the legitimacy of children. "Cattle are where the children are not," say the Nuer. A child cannot be an heir unless the cattle have been paid. Once the bridewealth was paid, networks of trade and reciprocity between the marital kinsmen would commence. Significantly, bridewealth was involved in the stability of marriage. Amongst the Swazi of South Africa, the cattle were a security for the good behavior of both spouses. If the wife behaved badly, the husband would divorce her and demand the cattle back. Her kin would be reluctant, and would urge her to mend her behavior. But if the husband mistreated the wife, her family could refuse the return of cattle. Then his kin would pressure him to avoid losing both the wife and the cattle. As the value of bridewealth increases, so does the stability of marriage, since the payment is an insurance against divorce. By "investing in" the marriage materially, the families involved are also vested in the success of the marriage.

Marriage Economics

By viewing marriage cross-culturally we learn that marriage is not simply a private matter. Marriage is everywhere, and it everywhere plays a central role in the political and economic life of a culture.

Every society contracts marital unions. Forest villagers such as the Yanomami of Brazil use marriage exchanges as alliances between villages in their constant warring politics. Marriage is pure diplomacy.

Pastoral herders such as the Nande people of East Africa allow young men to marry only after they have served society in the age-set of warriors, defending the camps. Marriage is a reward for social sacrifice.

Desert hunters and gatherers marry. For the !Kung San of the Kalahari desert, a male youth is initiated into manhood after he kills a large game animal, then given a child bride shortly after by her parents, whom he must serve. Marriage is a recognition of economic productivity.

For the aboriginal Tiwi of North Australia, marriage involves the promise of daughters yet to be conceived, who are born already betrothed in a complex intergenerational balance.

Pacific island yam gardeners have marriage. In the Trobriands, chiefs alone are allowed many wives. With wives come obliged brothers-in-law, bringing harvests of yams. From this surplus chiefs construct feasts to feed the multitudes. Many wives make a chief great, since religious solidarity and "income redistribution" are accomplished through the instrumentality of marriage.

Hierarchic salmon fishers such as the Kwakiutl of British Columbia marry, making contracts for attaining wealth and status through potlatch ceremonies. A nobleman marries a woman to engage in a system of loans and trades between the families, regarding marriage as an institution of banking.

Marriages among the Inuit of Alaska show strikingly why poverty attends illegitimacy, because marriage networks shape the economic success of the couple. Inuit depend for survival upon a principle of reciprocity captured in their saying, "We store food in other people's stomachs." Through spouse-sharing, where a man and a hunting partner exchange wives, a child has two fathers

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and two mothers, dispersed across the hunting territory. A married couple has a doubled set of obligated parents helping in an emergency. In a society lacking a centralized state for social support, family means life.

From the elaborate formalities of the Japanese to the bargaining negotiations of Yemeni Arabs to the strict purity requirements of Hindu Brahmans, human beings are doing something essential when they marry. Though concubinage, "irregular" marriages, adultery, prohibited couplings, and nose-thumbing resistances to the norms are common the world over, the essential point is not the presence of deviance. Rather, it is the universality of the married state as an ideal for the human condition. The norm for social experience, the cultural target towards which behaviors tend and against which deviance is measured, is some form of morally sanctioned wedded state.

Obligated Kin

Thus every society is threatened by the disappearance of legitimate marriage. Why threatened? What we are losing when we lose legitimate marriages are kinsmen, the necessary social relatives. Kinsmen are the formal actors of the moral order, bound to us by sanctions, duties, and rights that are legal, religious, and ethical. In place of that kinship role we are substituting the indifferent welfare state, now the official *pater* of vast numbers of children. Women may marry the state, as it were, and for family have case workers and judges.

American men and women today have many sources of personal identity and relationships other than family, of course. We construct ourselves in terms of work, or school, or church, or private associations. Yet it is patterns of kinship which most often cover us in our undertakings, provide us market opportunities, and even shield us from the importunings of the state. We do not hope to receive tuition, childcare, or a kidney from a business associate, but we do from relatives. Marriage is that device which extends to us a social security network of obligated kin. As such, marriages are political and economic affairs, and are regarded by most peoples of the world as far too important to be left in the hands of personal attraction. For many traditional cultures, marriage may contain romance, but the institution serves primarily to "arrange" the structure of society.

Marriage provides a kind of capital. Married couples, more than single parents, have parents and grandparents as a resource. House loans, emergency aid, car payments, cash gifts, and job opportunities come disproportionately from these relatives. Over one-fourth of all new home purchases depend upon gifts from parents. The gifts provided at a formal wedding assist a couple, as will the bestowal of an inheritance upon the eventual death of the parents. There is little question but that having four parents and eight grandparents attached to every marriage broadens the base of economic support, for us as for the Inuit.

But the plight of the single mother, isolated from kin, can be economically grim. One reason is the simple mathematics of relationship. With fewer people tied in a committed and socially-sanctioned way to the obligation of support, the single parent is hobbled from the beginning. Single parenthood that passes through more than one generation, from unwed mother to unwed daughter, results in an almost exponential collapse of the number of supporting relatives.

Note that when relatives make a capital investment in the couple, they have a material stake in their continuity. Land, housing, or family heirlooms might all get sacrificed on the bitter altar of divorce unless relatives take an active role in helping the marriage survive. Such material considerations are not more significant than the emotional investment people make in marital stability, but they provide an incentive to realize our normative duties.

Social Capital

Marriage, seen cross-culturally, helps us understand urgent American problems, such as the spreading underclass. We should look to kinship. People in poverty lack social capital, or close personal ties. William Julius Wilson of the University of Chicago says that strong networks are really "strategies of social mobility." Ghetto residents lack developed networks, and the few ties that are formed have "lesser social worth." How dire is the problem? Black Americans are twice as likely as other Americans to die waiting for kidney donors, says the *Journal of the American Medical Association.* Organ and blood donors are lacking in the black community, and the absence of networks of close kin, those with the closest physical "match," directly impairs the health of the impoverished.

Having a car helps in finding and keeping a job, but only 18 percent of what Mr. Wilson calls the "hyperghetto" have access to one. People with kin networks "branch out" and find support from relatives, who lend, repair, or help buy an automobile. The married, having more relatives, gain better access to transportation, and are more likely to have steady work. Lack of networks makes inner-city spatial isolation worse.

THE ZULUS HAVE A SAYING, "THEY ARE OUR ENEMIES, AND SO WE MARRY THEM."

Mobility out of poverty depends on kinship ties. Sociologist Mark Testa and colleagues, working with the Urban Poverty and Family Structure Survey data, found marriages correlated with employment, because employed fathers are "two and a half times more likely than unemployed" to be married to the mother.

A focused comparison of poverty came from University of Chicago professor Marta Tienda's study of Puerto Ricans, Mexicans, and Cubans in the United States. Puerto Ricans have fallen behind, while Cubans have excelled, in spite of having the most social barriers—that is, more foreign-born who are also weaker in English. What are the Cuban advantages? More education, and a significantly higher percentage of legitimate marital relations.

The pattern is clear. Mercer Sullivan, a Columbia-trained anthropologist at the Vera Institute of Justice, compared three racially distinct inner-city neighbor-

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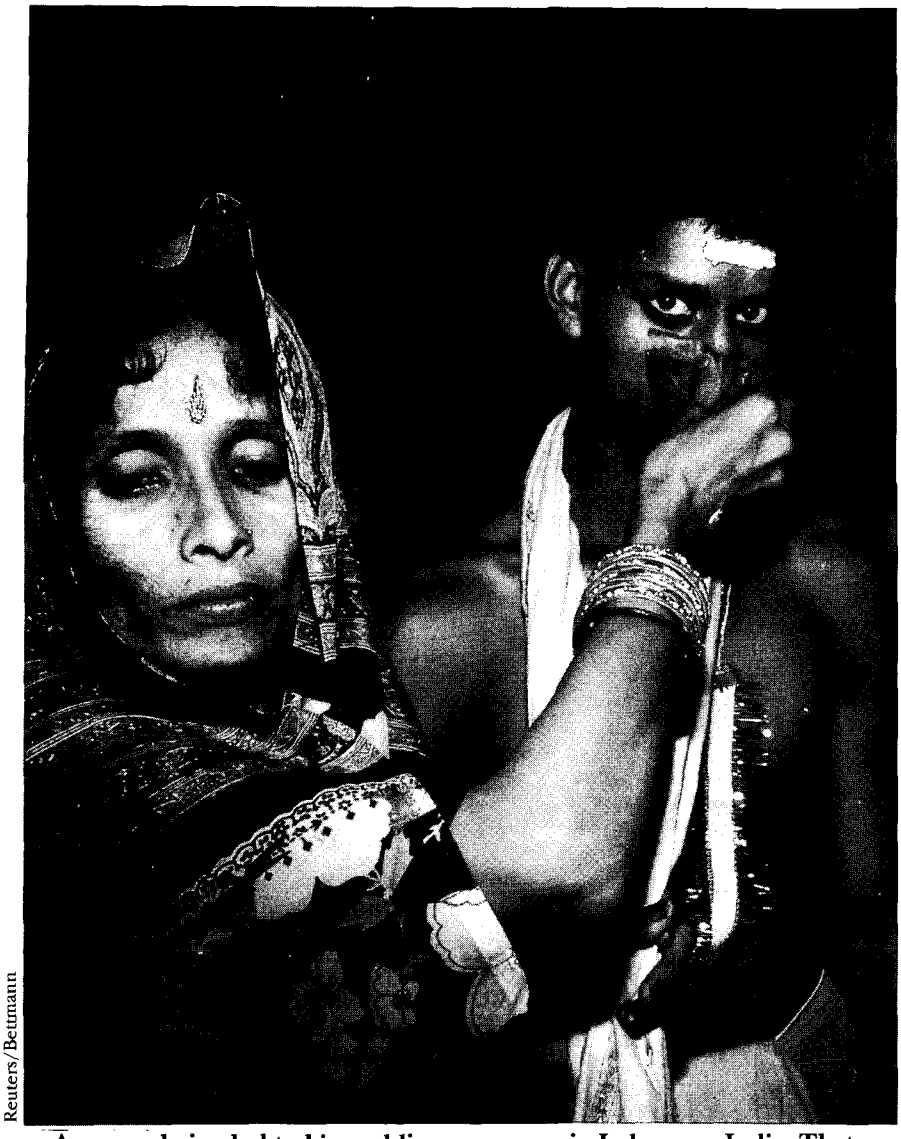

Reuters/Bettmann

A groom being led to his wedding ceremony in Lokapura, India. That women domesticate the men who marry them has been widely noted.

hoods, and found that jobs were located through "neighborhood-based and family-based personal networks." Kinship was even more important than schooling for finding work.

Mr. Sullivan found that fathers who married came from families in which the parents had been married. Males who will assume the responsibility of marriage, then, come from families that have legitimated them. Some *genitors* of illegitimate children still provided care to the extent that they were able. But not all; those who provided no care or support were those who became heavily involved in crime or drug use. They were known as fathers who had "stepped off" from their children. Mr. Sullivan reports that a strategy for young men evading child-support obligations was to live with families on AFDC, since they were then "automatically excluded from child-support actions." The bastards.

Three social factors cluster together and contribute to mobility. Those who can escape the "hyperghetto" get high school educations, jobs, and marriages. Marriages are means of acquiring social capital, especially structures of kinship. Kinship structures are means of acquiring personal capital, the commitments and capacities to form successful social relationships. Having personal capital completes the circle, leading to education, jobs, and marital unions. In terms of social capital, being born legitimate is, in a revealing phrase, to be born with a "trust fund."

We see that there are two dimensions to the economic consequences of marriage. In the first, the assistance given by relatives provides a social stability to the marriage itself. Because an investment has been made, which might be lost at the dissolution of the marriage, relatives will both exert sanctions on the couple when they waver in commitment and offer support to them in times of stress. The second dimension is that being married strengthens the economic success of the family through the generations. We live in the context of three generations. In the general course of things, we do not borrow from our children. ("When a father gives to his son, both laugh," runs the Yiddish proverb, "but when a son must give to the father, both cry.") So the relevant number of supporting relatives branches upward. If we are married, we have four parents' estates to draw from, and that of eight grandparents. For single parents, perpetual impoverishment is their likely lot.

Marriages can be integrative for our society, if we will let them be. Individual marriages are the rivets of the social order, local-level attachments by which the whole structure is ultimately assembled. When a couple marries, they initiate a series of exchanges between two entire groups of people; that is, the relatives and friends on either side. Two pebbles, as it were, drop side by side into the pool of a community, and the ripples of celebration, concern, and obligation ring wide.

The point where the circles intersect is, of course, the union of the man and wife themselves. As the hand of the bride is grasped by the groom and captured by the ring, an umbilicus of contact is forged between two families. Through that conduit now established will flow gifts, loans, and business opportunities, advice, political alliances, love, sanctions, inheritances, and many children.

Marriage affiliations of this sort are not only horizontal, in the sense of bringing together parents, brothers and sisters, aunts and uncles, cousins, bridesmaids, and best men of proximate generations into a single gathering of social renewal. They are also vertical, in the sense that several generations of each family are bent into each other, as streams flowing down a hill, at the junction of the couple. Grandparents and parents, children and

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grandchildren, each set of which may constitute a separate nuclear unit with mate and offspring, are overlapped by the marriage of the present couple.

Multiple nuclear families with their distinct, and centrifugal, residences, attachments, and responsibilities, are imbricated into a structure of extended family. Over time, as the developmental cycle of the family is set in motion down through the generations, these separate reproductive pairs are woven and braided into strands of stability and resilience. The overall structure brought into being by marriage is called by anthropologists the "cognatic web," noting by that term the criss-crossing nature of social life.

Our Best Allies

Marriage links us to two sets of relatives who are our best allies. Moreover, to the extent that the families invest in us, their own interests, economic and social, become entwined with ours. Just as with the Swazi, the in-laws of our lives find many reasons for reenforcing and stabilizing the couple. Being married may even prove an insurance against abuse, since families exercise more leverage over the partners. Three remarkable things become one at a wedding: love, legitimacy, and property coalesce as social forces upon the legal union of man and woman.

Remember that kinship terms have a striking feature that first names and friendships do not. Kin terms are transitive; if someone is a Mother to my Wife, then that person becomes someone to me. Relationship, like electricity through a proper circuit, is conveyed through all of the nodes of family life. Sex with "friends," however, remains personal, not structure-building. Concubines of the Old Testament brought with them no attachments between the families. And what structure would emerge from same-sex unions is deeply unclear.

When a Husband acquires a Wife, however, he acquires, for better and for worse, all of the entangled wiring that constitutes her structural position as Daughter, Sister, Niece, Aunt, Granddaughter, Heiress, and obligated actress in the domestic rituals of matching, hatching, and dispatching. She, this multiple social "person," also brings into the relationship that complex of relatives "in-law," which we can acquire by no other route than by wedding. This entanglement is stabilizing not only in the life of the couple and their children but in the life of the neighborhood.

Such kinship figures are missing from the lives of the bastard. To be brought up without male authority in the household is a deficit. But what are most keenly missing from the lives of the impoverished, these spouse-less mothers and troubled children, are not just male authority figures, role models, or wage earners. Important though these are for the well-being of society, the absence of a *genitor* from the home is not the central loss.

What are missing from these families are Fathers and Husbands as well-defined social statuses. Many people, as it were, and not just one, are missing whenever a Father is absent, for Fathers bring Brothers, Uncles, Grandfathers, Sisters, and even Mothers-in-law. And it is this network of attachment and affiliation that finally enables Fathers, and not boyfriends, to transform bastards into Sons. In a home where there has never been a Father/Husband, there is, no matter how valiant and strong the Mother, a crippled unit, condemned to isolation from society's opportunities and to predation from society's brutal.

Boys and girls there may be, but in a sense that matters structurally, there are no Sons and Daughters. Only Mothers and Fathers can make Sons and Daughters, and even they are not alone sufficient to the task. "It takes the whole village to raise a child," runs the African proverb. And it takes an intact, and legitimate, marital union to raise moral and responsible progeny, whose lives are enriched by the structures of opportunity and stability provided therein. In some measure, if we find the fabric of society fraying, it is because we have hindered the weaving of the shuttle. Marriage is that moving shuttle which creates family bonds; as we are prone to say, it is the tying of a knot.

Fathers, much more than Mothers, are culturally contingent, and can disappear. Since we need *paters*, those men who care for the children, they must continually be remade by ceremonies of commitment. By marrying, we make our children legitimate, as they reciprocally make us safe. They will care for us no more than we have cared for them. This cycle of interrelationship can spiral upward as forcefully as it has spiralled downward. At the intersection of two domains of an individual's life, the moral realm and the social structural realm, stands the legal and ceremonial form of marriage, a hard-working device. To be "minced ... *sans* remorse" is the social fate of the underclass bastard, and not a few of them mete out as they have been meted.

The Essential Web

This discussion of kinship, marriage, and the functioning of society has some general lessons. There are no simple dichotomies here that oppose economic analyses to moral ones. Rather, the two are interdependent in that moral commitments structure economic opportunity. Committed patterns of kinship behavior create in us moral feelings of attachment and integration. Feelings of attachment, in turn, structure our social networks of relationship. Concretely put, building a marriage will pattern positive behavior. This patterned behavior rebuilds in us moral commitments and shapes the personal capital of the future generation. Those with moral commitments are able to build social capital, through which they attain jobs and their own marriages. Producing illegitimate children pours both down the drain.

In the social ecology of the human species, marriages will appear wherever the soil and climate are favorable. Creating conditions for the appearance of such vital and valuable forms is perhaps the most effective, and the least intrusive, task of social engineering. Helping people to marry helps society to remake itself, to restore in each generation that delicate but essential web on which our humanness is enacted. As it stands now, the web is shredding, and through its widening holes plunge our own children. We shall surely follow.

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We Can Do Bettah

Bill Clinton's Bronze-Medal Economy

THOMAS J. BRAY

How can we be having this recovery? That's the slightly panicky question Republicans have been quietly asking themselves since news came in that annual economic growth had accelerated sharply to 7.3 percent in the fourth quarter of 1993. It's too early to know if the bounce is continuing; most economists are predicting economic growth of closer to 3 percent for 1994. Nevertheless, it wasn't even supposed to be that good, at least if you listened to the doomsday talk surrounding President Bill Clinton's $250-billion tax increase last summer.

"We are buying a one-way ticket to recession," thundered Senator Phil Gramm in early August. Senator William Roth, a Republican colleague, warned: "Everyone knows we can't tax America into prosperity." Added Senator Connie Mack: "This bill will cost America jobs, no doubt about it."

Yet the predicted collapse didn't materialize. Naturally Mr. Clinton and the Democrats were ecstatic. Laura D'Andrea Tyson, the president's chief economic adviser, promptly pronounced the economy "squarely on a path of sustainable growth." The president, in his State of the Union message, needled "the naysayers who said this plan wouldn't work." The president then claimed credit for the good news: A deficit that is running well below expectations, interest rates that have declined to their lowest level in two decades and an economy that produced 1.6 million private sector jobs in 1993, "more than were created in the previous four years combined."

Too Little, Too Late

Any president would have made similar claims, of course. That's politics. And Bill Clinton may even deserve some small share of the credit for the recovery. He is proposing elimination of at least some federal programs; his battle for the North American Free Trade Agreement and the General Agreement on Tariffs and Trade showed a reassuring appreciation of the role of free markets and the need to keep America open to the global marketplace.

The question conservatives—and all Americans—should be asking themselves is not whether a recovery is taking place, but why it didn't happen sooner and why it hasn't been a great deal stronger. The Cold War has been over for more than three years. In theory, at least, the United States should be the major beneficiary: An unchallengeable haven for world capital with close ties to the emerging economic powerhouses of Latin America and Asia, its capitalist engine restored to fighting trim during the 1980s, locus of an information revolution that could rival the industrial revolution itself in terms of dynamism and opportunity.

Yet the economy turned in one of the most anemic recoveries from a recessionary trough on record. Even if 1994 exceeds expectations—say, a 5-percent increase in gross domestic product—it would be nothing much to celebrate. The 11 quarters of "recovery" from 1991 to the end of 1993 were just over half the average for the first three years of recoveries since World War II. The 1962-1964 recovery averaged nearly 5 percent per year; the 1982-1984 recovery averaged 4.4 percent. Since the current recovery began in the second quarter of 1991, the economy has crept forward at a mere 2.8 percent pace.

America On Hold

Nor is there much reason to credit Bill Clinton with what little improvement has taken place. For one thing, growth in 1993 was actually lower (3.2 percent vs. 3.9 percent) than in 1992, the last year of the Bush administration, when measured from fourth quarter to fourth quarter. Indeed, the economy appeared to be gaining steam in late 1992 with a 5.7 percent gain in the final quarter—only to stop dead in its tracks as Bill Clinton was being sworn into office. For the first two quarters of 1993, the economy slumped back to less than 2-percent growth.

Some of that may have reflected a pulling forward of economic activity in expectation of President Clinton's promised 1993 tax increases. But many economists also believe business and families deliberately placed many investments on hold as they took the measure of the new man in the White House. When it became apparent that the more radical aspects of the new administration weren't likely to sell on Capitol Hill—the defeat of Mr. Clinton's "stimulus" package may have been the key—the economy began to pick up steam again, culminating in the gain of 7.3 percent in the final quarter of 1993.

And if that turns out to have been the peak of the

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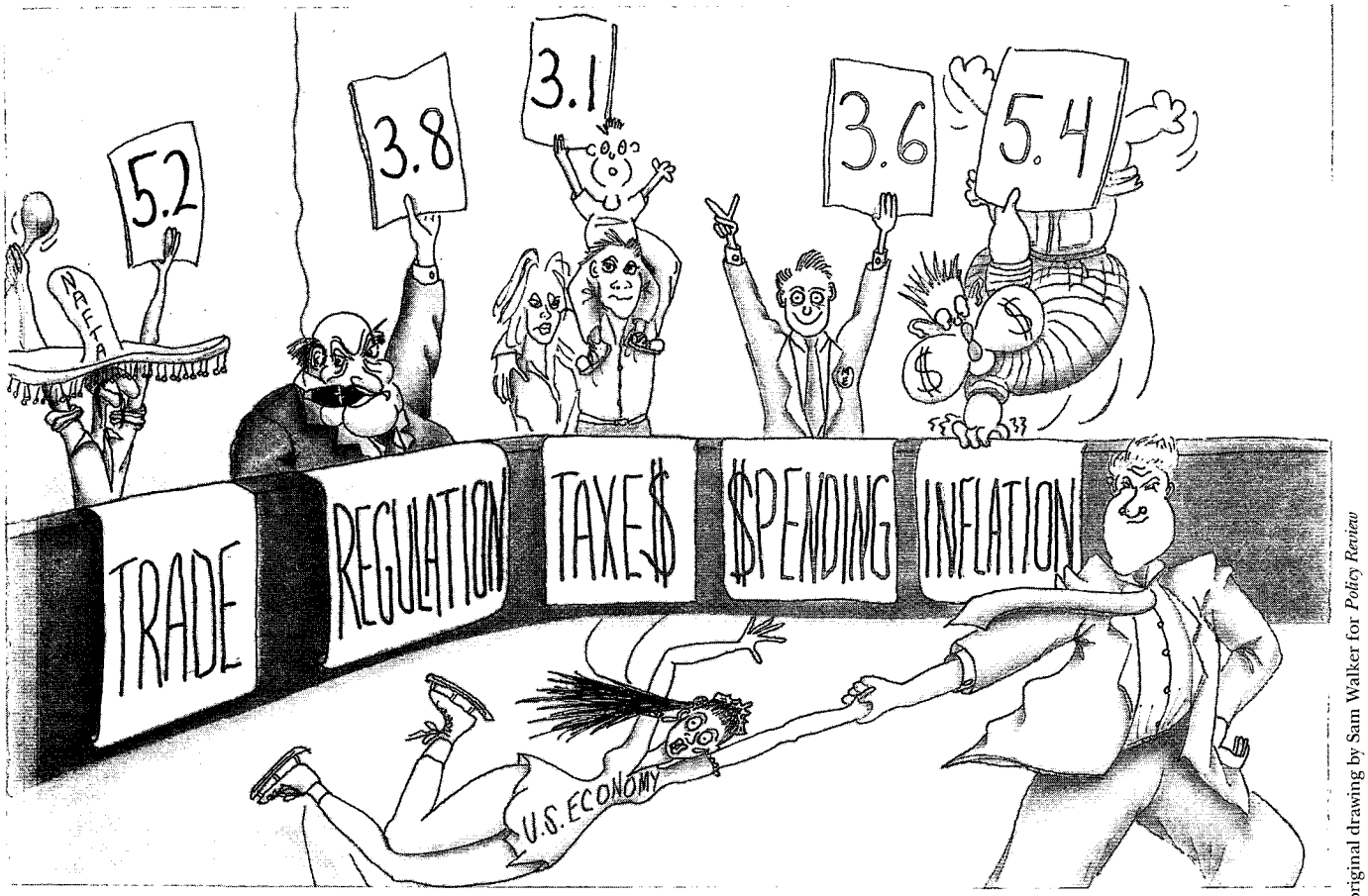

original drawing by Sam Walker for *Policy Review*

While President Clinton would like to take credit for what growth has occurred, his claims are weak.

recovery, it wouldn't be much to crow about. David Littmann, economist at Detroit's Comerica Bank, notes that it's at the low end of one-quarter gains during a recovery. "Post-war recoveries have all featured at least one quarter in which growth ranged from 6 percent to 16 percent," he says.

Even more sobering, the surge that began in late 1993 could prove to be a final gasp rather than a harbinger of further good news. The average post-war recovery has lasted only three years. Time may be running out on this go-round. The above-mentioned Senators may yet be proved correct.

While President Clinton would like to take credit for what growth has occurred, his claims are weak. His economic plan had not taken hold by late 1993. And it seems very unlikely that interest rates, which most economists believe provided the main stimulus for the bounce-back, ratcheted down simply in expectation that Mr. Clinton and the Democratic Congress would cut the deficit.

For one thing, that assumes a direct relationship between deficits and interest rates that may not exist. (In the early 1980s, remember, interest rates started to come down, even as deficits soared.) And even if you think that deficit expectations play a big role in determining interest rates, financial markets are probably smart enough to understand that budgeting for a smaller deficit is different than actually achieving one. After the Bush tax deal of 1990, after all, budgeteers were proclaiming that the deficit would be all but eliminated by next year. And the Clinton budget itself shows deficits beginning to rise again in the late 1990s.

If Clintonomics didn't produce the fourth-quarter surge, what did? As it stands there are a number of conceivable explanations. Interest rates were indeed the key—though probably not because the markets got out of bed one morning and decided that Bill Clinton and the Democratic Congress were going to redeem nearly 50 years of tax and spend.

The Fed Gets It Right

One school of thought holds that the decline is the result of the Federal Reserve board finally getting monetary policy right. Five years of carefully ratcheting the rates down, goes this line of reasoning, finally persuaded long-term bond investors that the Fed was really serious about inflation, as Fed chairman Alan Greenspan had been claiming. Alternatively, monetarists tend to see the lower rates as a result of the Fed flooding the market with money, reflected in the rapid rise of certain monetary base measures. This has temporarily driven rates down, but only at the expense of a new burst of inflation which, when it appears, could result in a financial panic and renewed recession—or worse.

There is a third possibility. The economic stagnancy of the early 1990s, and the regulatory terror inflicted on credit markets by Washington's deposit insurance bureaucrats in the wake of the savings-and-loan crisis were probably bound to drive interest rates lower. At some point they would decline sufficiently to ignite a spontaneous recovery. The Fed may deserve neither as much

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blame or as much credit as professional Fed-watchers would like us to think.

Whatever the case, the interest-rate sensitive sectors of the economy responded strongly. The fourth-quarter recovery was driven chiefly by durables—higher auto sales and production alone accounted for at least 1.6 percentage points of the growth in the fourth quarter, according to Ford Motor economist Martin Zimmerman. Business fixed investment and residential construction turned in white-hot performances. The economy also received an important stimulus in the form of sharply lower oil prices.

THE DEFICIT IS INCREASINGLY VIEWED BY AMERICANS AS A MORAL ISSUE—A MATTER OF KEEPING FAITH WITH FUTURE GENERATIONS.

At $15 a barrel, down from $20 a barrel only a year earlier, the American economy saves a hefty $17 billion or so on the 50 percent of oil that it imports.

Too, the drag of the monumental savings-and-loan industry bailout is pretty much behind us. The federal government is now in the process of liquidating its enormous holdings of property acquired in the S&L bailout, sharply reducing net federal outlays and accounting for more than $20 billion of deficit reduction in fiscal 1993 alone. Federal regulators also began easing their chokehold on lending, allowing the economy more breathing room and long-deferred projects to get under way.

Leaner and Meaner

Aside from such unusual factors, however, the American economy, which became enormously more competitive and productive in the 1920s, was bound to reassert some of its basic strength. It was only a matter of time before it would absorb the fiscal and regulatory shocks of the Bush years and the first year of the Clinton presidency and begin moving forward. The wave of entrepreneurial energy unleashed by the tax cuts of 1978 and 1981 helped to midwife, among other things, an information revolution that may prove as important and long lasting as the industrial revolution of 175 years ago. Such opportunities are likely to make up for most, if not all, of the counterproductive policies that the "fairness" crowd is likely to persuade the American people to adopt.

Meanwhile, older manufacturing businesses and prosaic service companies have gotten their houses in order, too. Economists like to cite statistics showing that the growth of American productivity since the 1970s has been substantially below historic norms. But during the 1980s, manufacturing productivity bounded forward at an annual average rate 3.6 percent, according to the Bureau of Labor Statistics, nearly three times the rate of the 1970s and even faster than the feverish 1960s. Service productivity is notoriously difficult to measure, but it seems likely that continued heavy investment in computer technology is having the desired effect. The continued growth of inefficient government may be a major reason for the continued lag in overall productivity figures.

There is no question the private sector is leaner and meaner. Much of the improvement in the private sector can be traced to the deregulation of the Reagan years. Energy, telecommunications, trucking, airlines, and other industries flourished as the cloud of government interference receded. The resolute handling of the air-traffic controllers' strike sent a major signal to industry that it could demand accountability and flexibility from labor without interference from government. Union representation in the private sector declined dramatically to levels not seen since the 1930s.

At the same time, disinflation put management on notice that it would be held more accountable in the marketplace. Poor or mediocre results could no longer be masked by a rise in prices. And corporate raiders were allowed to hold management's feet to the fire.

U.S. Industry Rebounds

It would have been very difficult to achieve any of this without leadership in Washington that made clear to industry and labor alike that they would have little choice except to compete in world markets. While quotas might be arranged to protect specific industries like autos or steel, they were understood to be temporary palliatives, not permanent parts of the economic scene. And in any case they did little to hold back the tide of international competition. Japanese transplants like the Honda assembly plant in Ohio and the Nissan plant in Tennessee rendered quotas and other forms of protection increasingly irrelevant.

Faced with the competitive challenge, American industry for the most part responded: American overall productivity remains well above that of its closest competitors, Germany and Japan. America's exports soared during the late 1980s and early 1990s, providing counter-cyclical buoyancy to an economy that appeared to be flagging.

Even the American auto companies, written off for dead by much of elite opinion only a few years ago, are beginning to recover market share from their Japanese rivals. While the rise of the Japanese yen may have been partly responsible, by making Japanese cars more expensive relative to American cars, old-fashioned productivity and renewed emphasis on quality were equally or even more important. Auto industry analysts believe the American market may soon recover to levels last seen in 1986, when more than 16 million cars and trucks were sold. This time U.S. manufacturers will be better positioned to meet consumer demands.

Performance Gap

Despite all this good news, though, there remains the nagging fact of the weakness of the recent recovery. The message is that even an economy in fundamentally good shape can be knocked off its stride by policy errors. Economist Lawrence Kudlow refers to the difference between the 1.8 percent growth rate of the last five years and the long-term, post-war growth rate of 3 percent as a "performance gap," a term coined originally by John F. Kennedy's economic advisor Walter Heller. The current

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performance gap, asserts Mr. Kudlow, can be explained by the economic drag of Bush-Clinton taxes and regulations. Rather than denying that a recovery of sorts is taking place, conservatives should be focusing public attention on how the country is falling short of its potential. Or, as Mr. Kennedy repeatedly emphasized in his inimitable Boston accent while campaigning against Dwight D. Eisenhower (and the 1950s), "We can do bettah."

Everybody has a catalogue of those errors. As Paul Craig Roberts was warning even at the time, the 1986 tax reform act, while it marked a historic lowering of marginal income tax rates, was purchased at the cost of a higher capital-gains tax rate and a closing of business loopholes that would wreak havoc on job creation. The real estate bust of the late 1980s stemmed from these errors, though it was widely interpreted by the politicians as a scandal rather than a policy error, thus justifying still more errors—including the regulatory reign of terror over banks.

Reuters/Bettmann

The symbolic seating of the first lady between AFL-CIO chief Lane Kirkland and GM president Jack Smith at this year's State of the Union address suggests that the Administration is still flirting with industrial policies.

George Bush inherited a slowing economy and punished it further by reneging on his tax pledge and unleashing still more regulatory excesses for which we will be paying well into the next century. The Clean Air Act amendments of 1990 and the Americans with Disabilities Act of 1991 alone may impose more than $50 billion of new costs annually—or, looked at another way, prevent $300 to $500 billion of capitalized long-term investment in the private sector.

THE QUESTION IS, WHY DIDN'T THE RECOVERY HAPPEN SOONER, AND WHY HASN'T IT BEEN STRONGER?

The result has been an economic recovery unlike almost any other since World War II. Instead of the usual 5- to 6-percent surge, followed by a stable period of 3- to 4-percent growth, the recovery that began in 1991 yielded 1.3 percent growth in 1991, 2.6 percent in 1992, and 3 percent last year. The message here is that taxes and regulation take a toll—and can be expected to do so again, if the Clinton team gets the bit in its teeth. Seeing the recovery, liberals are quick to conclude that taxes make no difference. Even conservatives are wondering whether supply-side dogma about the importance of marginal tax rates—considering the sharp increases in the top marginal rates of 1990 and 1993—is somehow overemphasized or wrong.

But that misses the point. The shocks of 1990 and 1993 simply mean that growth will be retarded—and that once it begins, it will start from a lower path. Republicans erred by implying that last August's budget would produce recession. It would have been safer to say that it would widen the performance gap. Unless the new barriers to growth are somehow removed or offset, the gap can never be made up.

Mr. Kudlow estimates that if the economy had grown at its postwar average of 3 percent annually since 1988, gross domestic product would be $1.1 trillion higher and the economy would have generated 5.5 million more jobs. The performance gap, however, has caused renewed frustration and demands for yet more government intervention. Unless conservatives are clear on this point, they will be reduced to arguing questions of how much government is desirable, not whether it's desirable in the first place. They will also be tempted to divert attention from their lack of economic vision by focusing all of their attention on divisive social issues, such as immigration and abortion, which tend to come to the fore in times of economic stress.

BALANCING THE BOOKS

Conservatives should take advantage of the current business cycle to make some important points:

The supply-side policies of the 1980s led to an extraordinary boom. As Robert L. Bartley, editor of the *Wall Street Journal* wrote in *The Seven Fat Years*, economic growth in

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the United States from 1983 through 1989 was equivalent to adding the entire German economy to our own. Those who advocated such policies have little to apologize for—at least by comparison with other economic theories that have been tested in the real world. The slow growth of the past five years is amply accounted for by the decision of many Republicans, with the eager cooperation of Democrats, to turn away from the policies that produced the longest peacetime boom of the postwar era.

THE WELFARE DEBATE SUGGESTS THAT AMERICANS NO LONGER NECESSARILY MEASURE "COMPASSION" BY THE AMOUNT OF GOVERNMENT SPENDING.

The Democratic Party still lacks a credible alternative to the free-market vision of the Reagan years. It is flirting with various forms of industrial policy to get the economy moving again. But the more the American people look at President Clinton's "investments" in people, the more they are likely to see old-fashioned welfare statism under a new guise.

Moreover, the European experience emphasizes that the corporatist approach—symbolized during the last State of the Union address by the sight of Hillary Rodham Clinton in the galleries flanked by General Motors president Jack Smith and AFL-CIO chief Lane Kirkland—not only doesn't work but is badly out of touch with the times. Europe is privatizing and cutting back on its expensive welfare state, which is widely viewed as the culprit for persistently high unemployment among our European industrial allies.

As the job market stabilizes, fewer Americans are likely to want to trade in the tangible health benefits they already enjoy for a speculative new government-run system. What appeared to be a winning issue for liberalism only a few months ago is rapidly turning into a millstone. National health care is a 1940s answer to a 1990s problem, again totally out of synch with the move in the rest of the world toward privatization of government services and individual freedom. But continued low growth could keep the issue alive.

Conservatives should emphasize that if the economy had remained on the growth path of the 1980s, health care would be receding as an issue—and would look a great deal smaller as a proportion of national output.

Clinton promised that he would work with the Democratic Congress to end the "gridlock" on the deficit. Yet it cannot have escaped public attention that the first Clinton budget actually increased spending and did nothing to reduce the debt accumulated during 40 years of welfare statism. Indeed, the Clinton budget will expand that debt by more than $1 trillion in five years. And his major tool for reducing it—reform of health care—is predictably turning out to be a generator of huge new amounts of red ink.

Conservatives are in a position to reclaim the deficit issue, though they will have to move beyond the hopeful notion that the country can simply grow its way out of the hole. If the economy were growing at its postwar average of 3 percent annually, the deficit would, in theory, disappear by 1999. Even if the economy were growing above its long-term trend, however, Congress would find ways to spend the money. Until the political culture changes, the deficit is likely to remain with us. Fortunately, as the Perot movement made clear, the deficit is increasingly viewed by many Americans as a moral issue—a matter of keeping faith with future generations. It also explains much of the current distrust of government. Why trust a government that hasn't balanced its books in 40 years.

GOVERNMENT "COMPASSION"

The current welfare debate also suggests that Americans no longer necessarily measure "compassion" by the amount of government spending. When Governor John Engler of Michigan ended the state's General Assistance (GA) program for able-bodied adults in 1991, ending payments to more than 80,000 people, he braced himself for a political storm. It turned out to be a fairly mild tempest, which has abated further as it has become apparent that the former GA recipients aren't clogging homeless shelters—and, indeed, are finding jobs in impressive numbers. We may have reached an important turning point in which the compassion of the private sector is rediscovered by an older and wiser electorate.

In short, the time is fast arriving for conservatives to resume the intellectual offensive. The lesson of 1993 is that there is more to economic performance than simple marginal tax rates. But there is nothing in the experience of the last five years to suggest that basic laws of economics have been repealed, and much to support the view that tax rates—and the overall burden of government—can have a decisively negative influence.

The message from the electorate since November 1992, notably in the election of tax-cutting Republican Christine Todd Whitman in New Jersey, is that it wanted George Bush gone, not a repeal of 1980s policies. The American economy can do better. But it will take more imagination and conviction than conservatives have shown lately to make that point with the public. ☎

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Zebra Territory

The Courage of Houston's Volunteer Cops

Victor Trevino

I have a job some people wouldn't want, much less campaign for. I am the constable of Precinct 6 in Harris County, Texas, in the inner-city of Houston. The eight precinct constables work together with the county commissioners, the Houston police, the county sheriff, and other agencies to enforce the law in their precincts. A constable's most important task is to help keep the community safe, and our precinct is a rough place. People are poor, and the area has the highest crime rate in the county. Juvenile crime is exploding in Houston, and our precinct has big problems with gangs and drugs. Lots of teenagers carry weapons—at the moment, the really "cool" kids carry 9-mm semi-automatics. Because of the danger, not many stores or businesses will risk staying open after 6 PM. And good luck finding a taxi.

On top of these problems, our office has very little money to spend on crime control. We may have the most crime, but we have the smallest budget of any constable's office in Harris County. My office is allowed only 13 full-time paid deputies; the population of the precinct is almost 150,000.

Yet last year, we actually saw a 10-percent drop in the crime rate in our precinct, even while Houston Police Department figures show that crime in the city increased over 20 percent. We have arrested nearly 2,000 wanted parole violators in the last three years. We have helped two large schools in our area cut their truancy rates by over 50 percent. And we've cleaned up our parks and brought back Little League to the neighborhood after a 25-year absence.

If You Can Make It Here ...

Our secret? Volunteer cops. We have discovered that if you recruit, train, and organize squads of volunteer police, you can have a big impact on crime in your community. Our 200 volunteer deputies are as well-trained and professional as any law-enforcement group in the state, and they're saving the taxpayers a bundle. In fact, our volunteer force has donated time worth $2.5 million dollars to the precinct since 1991. Thanks to volunteers, our office has more than doubled the services we provide to the community. And considering what we're up against, if this approach can work in our precinct, it can probably work anywhere.

My roots in this area run deep. I came to the United States from Mexico in 1958 as a six-year-old; my parents and my eight brothers and sisters moved into a one-bedroom home not far from where I live today. I attended the neighborhood schools and hoped to become a cop when I graduated from high school. Unfortunately, at the time I graduated my 5-foot, 7-inch height did not meet the minimum height requirement for the local police departments, so I became a meat cutter in a local food store, a job I had for seven years. In the meantime, I married, and my wife Silvia and I had three children. But I still dreamed of becoming a cop.

Eventually, the Houston Police Department lowered its height requirement and I was accepted. After training, I spent a year on general patrol in the city, then another year as an officer in the local jail. Because I was Hispanic and bilingual, I often acted as a mediator for the police in Hispanic neighborhoods around Houston, especially in race-related incidents. In 1978 I was appointed as one of the first community-based police officers in the city, and was assigned to the Wesley House Community Center in Near-North Houston, my old neighborhood and a section of the precinct I now represent. Wesley House is still an important resource in our precinct, and our office often refers constituents there for social services help.

Neighborhood Cop

For the next 10 years, I was the "neighborhood cop." I not only served as a liaison between the Houston Police Department and the community, but acted as a local booster. I visited schools and church groups, got to know the business owners in the area, and made myself available, through the community center, to help the residents with problems in the area. I served as law enforcer, family therapist, truancy officer, and almost every other role imaginable. I loved the job, and came to know the people of the precinct, and their problems, very well.

While I was on the HPD, crime rose steadily in the Houston area. Poor neighborhoods, such as those in Near-North Houston where I was working, had the biggest social problems and the worst crime rates. The hon-

Victor Trevino *is constable of the 6th precinct in Harris County, Texas.*

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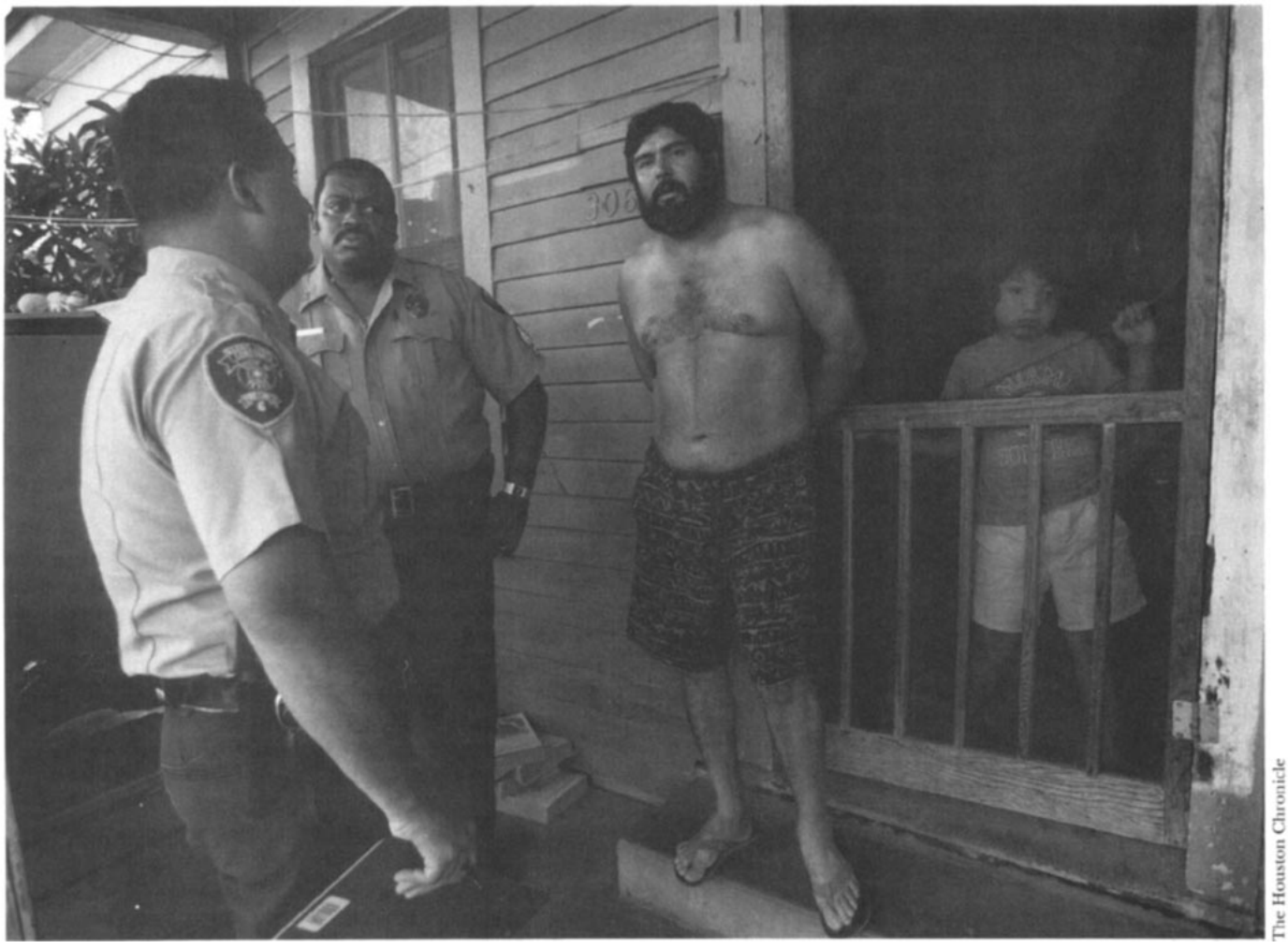

The Houston Chronicle

Members of the 6th precinct's ASAP squad visit the home of an absentee student to see why the child missed school. Such efforts by volunteer deputies have cut absenteeism in half at two Houston junior-high schools.

est, hard-working residents of the area became prisoners in their homes while the violence and drug traffic increased.

Wealthier neighborhoods, faced with increasing crime, contracted with the county to increase patrols in their neighborhoods. Under the "contract deputy" system, a particular neighborhood or subdivision would pay the bulk of the patrol officer's salary; the patrol officer was then obligated to spend the majority of his time patrolling the area that was subsidizing his pay. But this luxury was impossible for low-income neighborhoods, such as mine, and the criminals knew it.

Parolee Paradise

As we studied the crime numbers and backgrounds of the criminals being arrested in the Houston area, we realized that a large share of crimes—as many as 50 percent—were being committed by convicted criminals out on parole. Many of these were parole violators: Either they had failed to show up for a meeting with their parole officers, had not been present for a home visit, or failed to comply in some other way. A parole violator, or "PV" as he or she is known to us cops, is breaking the law merely by being in violation of the conditions of his or her parole. Supposedly, a parole violator is automatically sent back to prison. But in Harris County, no one was keeping track of parole violators.

As a Houston police officer, I had been told that tracking down PVs was not my job, unless I happened to catch one committing another crime. Our department was already stretched thin just keeping up with current crimes. Also, the Houston police viewed tracking parole violators as a state problem. The sheriff's office and precinct constables felt the same way. Manpower and cash were already tight, and parole violators were a low priority. An added problem was that the county was already short of beds in the local jails. There was no room for someone brought in just for not showing up at a parole meeting. I had always assumed that some branch of law enforcement was looking for PVs, but I was wrong; none were. Yet it was clear that a great deal of crime in Harris County was being committed by these violators.

In fact, to those up for parole in the Texas state prisons, Harris County was known as "Parolee Paradise." Parolees migrated to the Houston area precisely because of its reputation as a haven for parolees who wanted to "disappear." Even a PV who got caught in Harris County, say, in a speed trap, did not have much to worry about. Since the local jails were filled to capacity, PVs usually were reprimanded and told to check in with their parole officers. It

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was no big deal to be a parole violator in Houston, and thousands of prisoners released from state prisons came to the area each year, bringing along the criminal behavior that put them in prison in the first place.

Cleaning Up

I believed that more could be done to reduce crime and improve conditions in our community, so I decided in 1988 to run for the office of constable of Precinct 6. In addition to law enforcement, the constable's office also serves warrants, oversees the precinct's small claims and other misdemeanor court services, and provides civic services to the precinct at the discretion of the constable.

I ran for constable in Precinct 6 primarily on one platform: Crime should be reduced. This was my family's neighborhood; I wanted to clean it up. And the first way to do that was to make it safe. Since our precinct was so poor, allotted a small number of paid deputies, and could not afford contract deputies, I was determined to staff the constable's deputy police force—or "peace officer" force, as it is known—with highly trained volunteers. The County Commissioners allowed each constable to have up to 100 volunteer-deputy officers; I was going to use some of those volunteers to pick up parole violators and send them back to prison. I wanted to send a clear message to parolees: If you want to get lost in Harris County, do it in someone else's precinct.

As a newcomer to politics, I was not part of the political machine in Harris County, and I did not want to be. I ran as an outsider, with my family and friends running my campaign. I went door-to-door in the precinct to talk to as many residents as I could. The vote was close; I won by approximately 180 votes, becoming the first Hispanic immigrant elected in Harris County.

Getting elected, as it turned out, was the easy part. My plan to use volunteers to clean up crime in our precinct did not sit well with some members of the county commissioners. In 1989, shortly after I was elected, the commissioners voted to reduce the number of allowed volunteer deputies for my precinct from 100 to 33. This huge reduction would have killed my plan to use volunteers to fight crime in the sixth precinct. I protested the county commissioners' decision, and organized a grass-roots effort to pack the commissioners' court hearings with precinct residents. (One commissioner said later he had never seen so many Hispanic citizens turn out to debate an issue before the commissioners.) Our work paid off. The county commissioners finally gave in, not only restoring the deputies our precinct had lost, but permitting me to recruit an unlimited number of volunteer deputies.

My next challenge was to develop a well-trained volunteer force to start dealing with the crime problem. To find recruits, I turned to the local community colleges and the University of Houston Police Academy. Many young men and women train in these schools with the goal of eventually joining a police force. In Texas, police training is standardized, whether for metropolitan, county, school district, airport security, or other law enforcement agencies. To be accredited, an individual must graduate from a certified program, finish 600 hours of training, and pass a state written exam. Even then, it is almost impossible for new graduates to find work without prior police experience. This is where I have an advantage. I cannot offer volunteers money, but I can offer them on-the-job police training as full-fledged deputies to help them build their resumes. A number of our volunteer deputies join the precinct to get this kind of experience, although many stay on the volunteer force even after they have found full-time employment.

Not "Miami Vice"

Not all of our deputies, however, are waiting for a paying police job. Some have professions outside law enforcement, but enjoy the challenge of community policing. A majority of our deputies live in the precinct, and have a stake in seeing conditions improve in their neighborhoods. Many are looking for exciting or challenging volunteer work. Some are retired people with time to volunteer and the desire to learn some new skills. Our deputies include fire fighters, business owners, housewives, and executives. A number of our deputies are parents—moms and dads who joined to make the streets safer for their children.

When I first started the volunteer deputy program, there were accusations from some of my critics that we were forming a vigilante force. But this is no Wild West sheriff's posse. Every volunteer deputy is a full-fledged cop, with the same state licenses, training, and authority as any Harris County Sheriff's officer or Houston Police Department officer. In fact, I established a state-approved, in-service training program within my own department to provide our deputies training in excess of state requirements. Our deputies, whether paid or volunteer, carry weapons and have the authority to make arrests and enforce the law not only in our precinct, but countywide.

I WANTED TO SEND A CLEAR MESSAGE TO PAROLEES: IF YOU WANT TO GET LOST IN HARRIS COUNTY, DO IT IN SOMEONE ELSE'S PRECINCT.

Such volunteer work may sound exciting to those who view police work as they see it on television, and we do get the occasional recruit who thinks he's signing up for "Miami Vice." But the majority of our volunteer deputies are just trying to help the community. That's the only real explanation for these volunteers spending all day or night at a paying job or raising a family and then reporting four or five times a week for an eight-hour shift in the precinct.

Today, Precinct 6 has nearly 200 volunteer deputies. They serve warrants, do administrative and dispatch work, patrol the precinct in squad cars and on foot, do liaison work with the area schools, provide security at civic functions, visit senior citizens, pick up truants, and chase down parole violators. They also serve as my eyes and ears in the precinct. My office could not provide the community services it does without them.

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The Zebra Squad

Since I had promised to fight crime, one of my first priorities once I had formed a trained deputy force was to clear parole violators out of my precinct. I created a parole violators task force—the first in the state of Texas—known as the Zebra Squad, and staffed it with my more experienced deputies.

Why call it the Zebra squad? Our deputies had to choose a letter as their code on the police radio bands. They chose the last letter of the alphabet as their code: "Z" for Zebra. Since we were picking up parole violators, the zebra image—black and white stripes—seemed appropriate.

We developed a plan to conduct searches several nights a week for known PVs in our area. It was an uphill battle at first. The sheriff's office refused to accept the parole violators we picked up because of bed shortages in the county jails, and the city jails did not respond either. So I held a press conference and announced that since the local jails refused to accept the violators we were bringing in, my deputies would drive them down to the state prison at Huntsville and deliver them directly to the state authorities, if that's what it took. Needless to say, the local jails found some beds, and we started picking up parole violators in our area.

Today, the Zebra Squad is well known in Houston. Each week my office receives a stack of files from the Texas Department of Pardons and Paroles. These files are those of the most dangerous parole violators thought to be in our area. The Zebra Squad goes out looking for these violators every night.

This is very hazardous work. Parole violators do not want to go back to prison, and will usually do what they can to avoid arrest. Most of the violators we go after have long rap sheets and have committed multiple violent crimes. We always assume that they are armed and dangerous. The volunteer deputies must act as a real team, and be willing to risk their lives for each other. Such work requires total professionalism and commitment, and I'd put these volunteers up against any paid force anywhere. In the three years the program has been running, The Zebra Squad has picked up nearly 2,000 felons wanted for parole violations.

IMAGINE THE IMPACT OF HAVING A UNIFORMED DEPUTY ARRIVE ON YOUR DOORSTEP TO SEE WHY YOUR CHILD WAS NOT IN SCHOOL.

The success of the Zebra Squad has led to many spin-offs. Both the Harris County Sheriff's Department and the Houston Police Department have established their own PV squads, and even the governor's office has issued a list of the state's "10 Most Wanted" parole violators. We estimate that crime committed by parole violators has decreased by roughly 50 percent in our precinct. And cooperation between the state parole authorities, the Sheriff's office, the HPD, and my office is outstanding. Crowded jail problems aside, the local police are glad for the help we provide in getting these criminals off the street. Parole violators are more likely to commit other crimes than parolees who meet their parole conditions. And the state parole authorities are grateful for the assistance we give them in tracking down violators. Our combined efforts have helped to lower Houston's crime rate in recent years.

ASAP

The success of the Zebra Squad led me to think that other community problems could be tackled using the same approach. One of the biggest problems we face in our area is the huge increase in juvenile crime. There is no question that at least part of this problem is linked to the poor attendance at many of our local schools. Truancy not only contributes to immediate problems in a neighborhood, such as vagrancy, drug dealing, vandalism, and gang violence, but it increases the school drop-out rate. It's the old story: Kids cut school and fall behind, then feel overwhelmed at all they have to make up, and after repeating this pattern for several years they eventually drop out.

Keeping kids in school not only improves their prospects, but helps prevent crime. In 1992 the Texas Criminal Justice Policy Council reported that nearly half of the students who gave a reason for dropping out left school because of poor attendance. It's no coincidence that nearly 70 percent of the Texas prison population does not have a high school diploma or G.E.D. certificate.

In the fall of 1992, my office initiated a program—the first of its kind in the nation—called the Absent Students Assistance Program (ASAP). We targeted two local junior high schools with high absenteeism, Marshall Middle School and Jackson Middle School, and set up a pilot program with their principals and the Houston Independent School District. Each afternoon, my office receives a list of student absences from those two schools. Each evening, members of our ASAP squad of uniformed deputies—all volunteers—visit the homes of these students to see why they were absent.

Imagine the impact of having a uniformed deputy arrive on your doorstep to see why your child was not in school. In cases where we find no one at home, a large bright orange or blue notice is pasted to the front door explaining the reason for the deputy's visit and asking the parents or guardians to contact the school or my office.

Many times we find that the student has given a false address. In these cases, the child is required to bring his parents or guardians to school to settle the issue of where the student really lives. Often the parents don't know that their child has cut class; many of the residents in our precinct leave very early in the morning for work, and believe that their children have gone to school. Other times we find real problems at home: abuse, alcoholism, or other family difficulties that are causing the child to miss school. It isn't unusual, for example, to find out that the student had to stay home to babysit younger brothers and sisters. Each deputy must write up field notes describing the conditions of the dwelling, the family situation,

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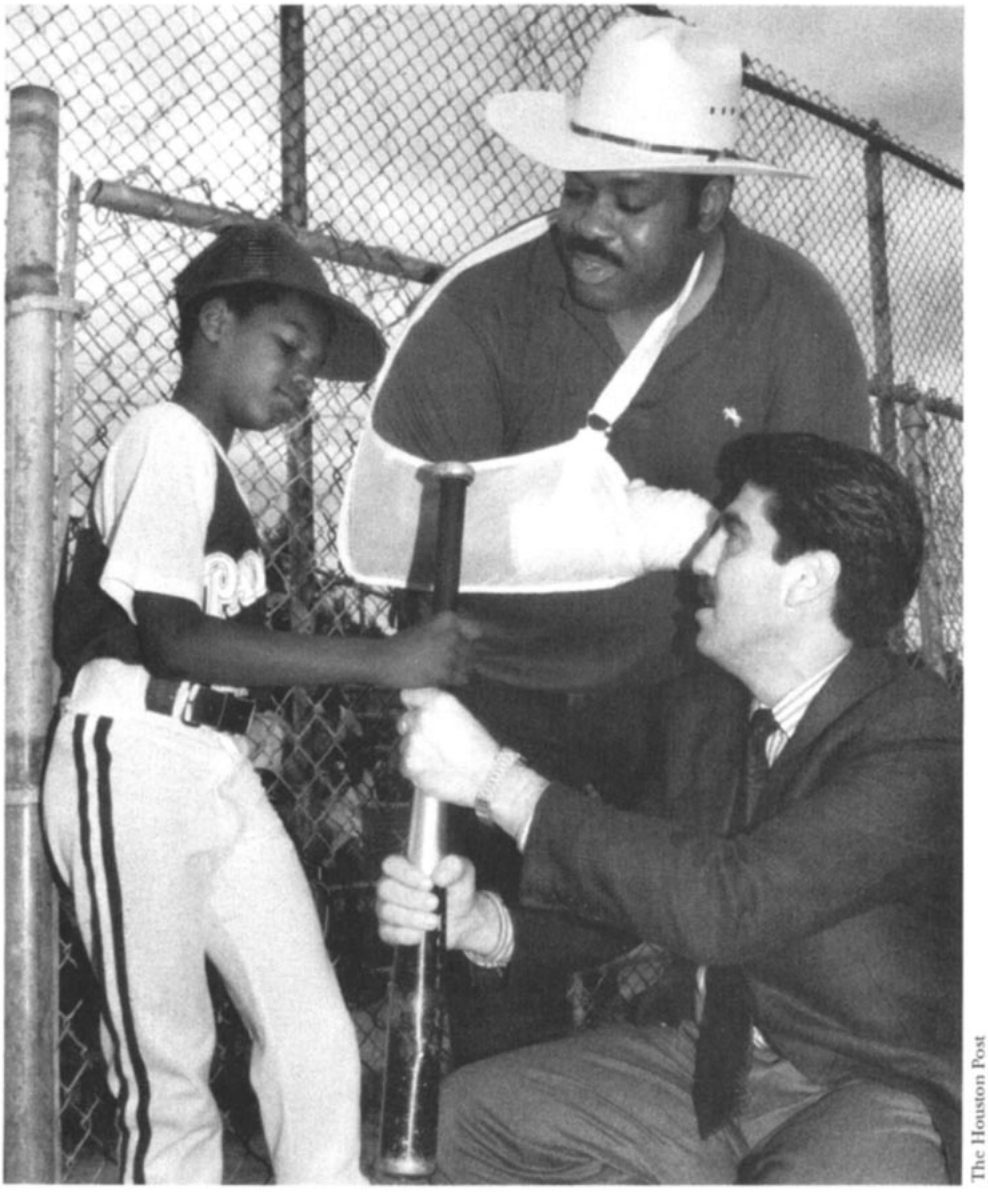
and any other observations that might help the school administrators. Sometimes the needs are very basic. Lieutenant Glenn Ellis, who directs both the Zebra and ASAP squads, tells of one visit where he found that the child did not attend school because he had no shoes.

The impact of the ASAP program has been astounding. In both schools where the program is underway, school attendance has increased over 60 percent. Both Marshall and Jackson now have attendance rates hovering around 97 percent, a figure any school would be proud of. Their respective school principals, Roberto Gonzalez and Lupita Cerna, say that ASAP is the sole reason for the increased attendance. Neither school had an effective way to check up on absentees before the ASAP squads started visiting the homes of their students. And since the program is staffed entirely by volunteers, it has not increased costs for the school district.

But the most surprising thing to me about ASAP has been the response of the parents. I expected angry telephone calls from parents after sending cops out to find truants, but my office has not received a single complaint since the program began in 1993. In fact, the parents usually thank us; they want their kids to get an education, but sometimes cannot find a way to force a teenager to go to school. The parents we hear from say our deputies help them discipline their children, and they are really grateful.



The Houston Post

Constable Victor Trevino (right) and deputy Larry Smith (center) congratulate a 6th precinct Little Leaguer on opening day. Little League is back after a 25-year absence, with the help of volunteer deputies on the Little League Squad.

Play Ball

One of the saddest results of the increased crime in our precinct was that many of the parks and ball fields had been taken over by drug dealers and gangs. Children had few safe places to play, and there was no organized recreation for kids in the neighborhood. Lots of kids end up in trouble because they have nothing else to do. Growing up, I had played Little League baseball and loved it, but Little League had disappeared from many of the parks in the sixth precinct; in fact, there had been no Little League in some of our parks in 25 years.

I decided that this was one problem my office and its volunteers could go a long way toward solving, so in 1990 I formed—you guessed it—a Little League squad. I put Larry Smith of my office in charge, and he organized other deputies as coaches. We sent flyers out through the schools in the area announcing an organizational meeting, and asked interested kids to come and bring their parents.

At our first meeting, only a few kids showed up, and only one adult. The kids were curious. Some had never even heard of Little League, and only a few had played baseball. The parents were reluctant to get involved at first. But we kept at it, and got volunteers out to clean up the parks and hold practices. Interest started to build in the community when the residents realized we were committed to bringing back Little League, and pretty soon we had enough players to form a few teams.

We decided in the very beginning that none of our Little League teams would charge a registration fee; the families in our neighborhoods can't afford it. All a kid needs to play in our league is his own glove—although we

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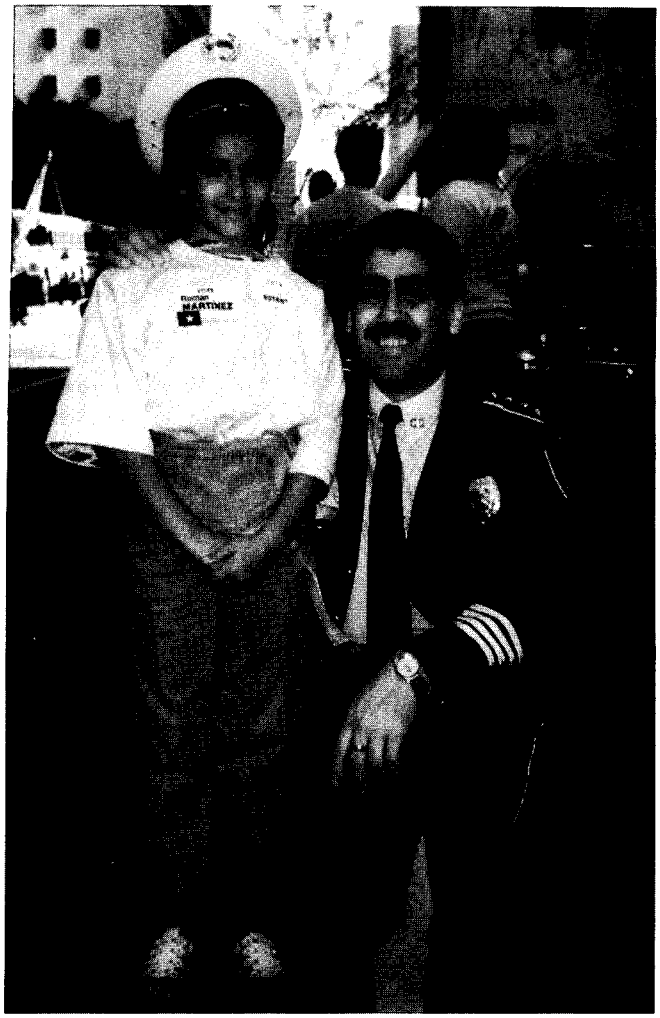

photo courtesy of Victor Trevino

Victor Trevino with a young constituent. "A number of our volunteer deputies are parents who want to make the neighborhood safer for their children."

provide those too, if that's the only way a child can play. We buy the bats, uniforms, and other equipment. So not only do we have to find the players, we have to find the money. It is really a grass-roots effort. We enlist churches and civic groups, local businesses, and any other source we can think of to help raise funds. The Precinct 6 Care Incorporated fund and some community businesses helped a lot in the first year, and we were able to field several teams.

In the beginning, there was very little parental involvement, so our deputies volunteered as coaches and umpires, and to patrol the parks for drug and alcohol use. The kids were enthusiastic from the start, and a lot of the volunteers who coach or help out say that they have seen big improvements in the discipline, self-esteem, and sportsmanship of the players. Today, participation from parents is growing; some of them are astounded by the change they've seen in their kids.

This year, Precinct 6's three Little League organizations will field almost 40 teams, many of them co-ed. My office is still very involved in organization and coaching, and other volunteers meet with us regularly at the precinct office. We have run the drug dealers and gangs out of the local parks where the games are held. The stands are filled not only with parents and friends of the players, but by neighborhood residents who are delighted to have a safe place to get outside on a summer night. And we have an organized, fun way to keep the kids off the streets. Money is still a constant problem; the recession hit some of our local businesses pretty hard, and contributions are down. But we will find a way to come up with the money. My next priority for the kids is a girls softball league. Several teams have already formed in our precinct because of community interest: Can a "Softball Squad" be far behind?

Common Sense Ideas

People always seem amazed when I describe the volunteer squads in our precinct and what they accomplish. Actually, it amazes me that more communities aren't tapping into the resources they have right in their own backyards. None of our squads developed from a complicated idea, but from plain old common sense. If you get wanted criminals out of your neighborhood, there will be less crime. If you make it very hard for a kid to cut school, there will be less truancy and probably less juvenile crime. If you give bored kids an alternative to just hanging out all day, they are less likely to get into trouble. Why are people so surprised?

We still have a lot of problems in our precinct. There is still too much crime, and we have to find even more ways to keep our young people busy and in school. But we are going to keep at it, and keep looking for new ways to use volunteer energy to improve our neighborhoods. I am convinced that these volunteers are out there in every community. The challenge is to find them, organize them, train them, and get them to work. They won't disappoint you.

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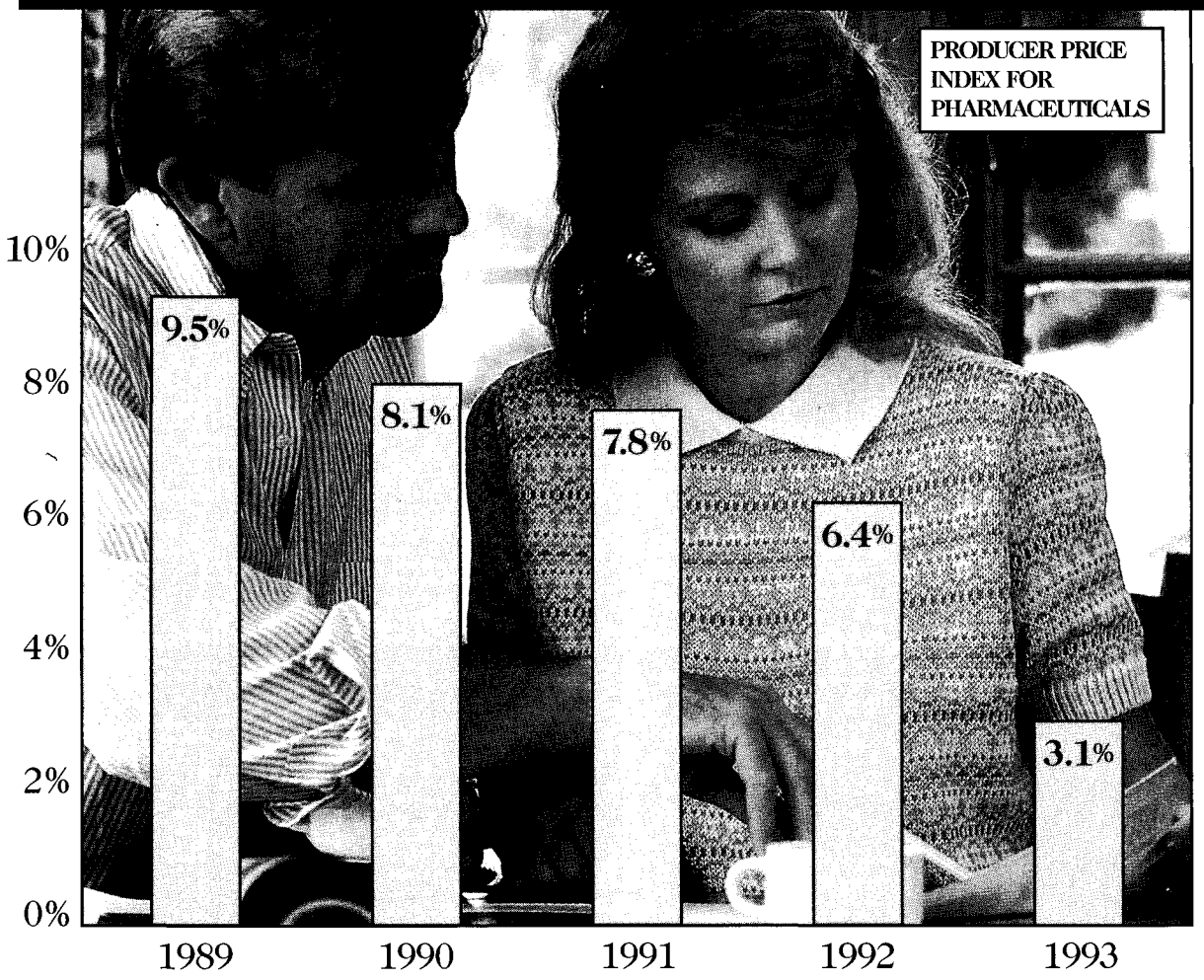
1993 Prescription Drug Price Increases Lowest In 20 Years.



Source: U.S. Department of Labor, Bureau of Labor Statistics, 1994.

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A Mom and Pop Manifesto

What the Pro-Family Movement Wants from Congress

Representative Henry Hyde

When Lenin, that architect of tyranny, asked his famous question—"What is to be done?"—his response was to overturn the foundations of civil society. Right question, wrong answer. America, now the free world's most violent nation, faces a historic moment of similar magnitude. What is to be done, by us, to restore the family as the surest basis of civil order, the strongest foundation for free enterprise, the safest home of freedom?

It is a question that official Washington seems incapable of answering. Instead of acknowledging the role of the traditional family in sustaining a democratic order, Congress continues at best to ignore, and at worst to undermine, that role in everything from education and health to aging and crime. In addition, Congress has placed new financial pressures on the family. Last year it repealed the Young Child Tax Credit, a Bush-era innovation to provide low-income households a refundable tax credit (about $500 per child) to help them care for newborns and toddlers. Meanwhile, President Clinton's tax hike—$255 billion over five years—will fall squarely on the American family, both in direct levies and higher prices.

Abdication, Not Analysis

It is now an oft-repeated truism that the problems of the family transcend public policy and that their solutions must therefore come primarily from outside government. That valid observation is easily distorted, however, into the specious assertion that there isn't much government can do to reverse the downward spiral of family life in this nation.

That is abdication, not analysis. The more we discover what government has done to undermine family life over the last three decades, the clearer it becomes that public policy must have a central role in restoring to America a family order of things.

Theologians tell us that prudence is one of the four cardinal virtues, the crucial good habits upon which all others depend. Much will depend upon the prudence of the pro-family movement in the months ahead. It would be short-sighted for the movement to allow its current mode of opposition, necessary as it is, to define its long-range future. Instead, a pro-family agenda must aim to reconstruct a now devastated mosaic of interrelationships, values, and assumptions. Rather than losing ourselves amid the many fragments, we can begin by setting in place the key pieces that give coherence to the whole picture.

Restore Family Prosperity

The first piece is pro-family economic policy. That's not because money is the most important element in family life, but because government's appetite for the family's cash has been a crucial factor in creating its current plight. Most of us have heard the numbers. If today's personal exemption accounted for the same proportion of family income as it did in 1948, it would be about $8,000, not $2,350.

That means government has moved from sheltering families to crushing them. Despite all the talk about women having choices in our newly egalitarian work place, the ugly reality is that millions of American women have been "put to work." In Uncle Sam's new tax order, it's become the only way to maintain a decent lifestyle for their families.

Consider the cultural ripple effects of a dramatic increase in the personal exemption. For example, how many moderate-income families might, for the first time, be able to choose their children's schools? How many households would reconsider the necessity of having two earners? How many would pursue home schooling? How many parents, whether moms or dads, would find more time to spend with the kids and less to spend on the job?

To open up these opportunities, two House freshmen, Rod Grams and Tim Hutchinson, have introduced legislation to provide an across-the-board tax credit of $500 per child, to compensate in part for the erosion of the personal exemption. Their bill also would establish a commission, along the lines of Representative Dick Armey's successful Base-Closure Commission, to present Congress with a take-it-or-leave-it package of off-setting spending reductions.

In tandem with dramatic tax relief for families, several other steps should be taken. One, of course, is cutting the capital gains tax and indexing it to inflation. That would be a tremendous boost to business investment and job

Henry Hyde *is chairman of the House Republican Policy Committee and represents the 6th district of Illinois.*

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creation, and millions of good new jobs are essential to the restoration of family prosperity in this country. As part of our capital gains package, conservatives should propose a zero-rate for households with modest incomes and for small, family-owned businesses. Let liberals oppose that one! As Patrick Henry might say today, if this be wedge-politics, make the most of it.

Another small but important economic corrective will be to repeal the regulations of the Department of Labor (DOL) that have the effect of forbidding employers from paying what used to be called a "family wage." In other words, paying more to a family breadwinner, in recognition of the fact that he or she has responsibilities a single worker is less likely to have. This used to be a commonplace practice, in the days when children were looked upon as assets to the community rather than as liabilities.

Congress never legislated on the matter. But bureaucrats at the Department of Labor came up with this remarkable bit of ideological reasoning: 1) Congress banned pay discrimination on the basis of gender. 2) Workers receiving a family wage are most likely to be male. 3) Therefore, the family wage is inherently discriminatory and is made illegal under DOL regulations. But the discrimination issue is a red herring. If an employer chooses to pay a salary differential to breadwinners, both male and female, that should be the business of nobody in the federal government.

Another way to restore the family wage is to reduce a worker's FICA tax if he or she has minor dependents. The rationale is simple: The long-range future of Social Security is in serious doubt. Part of the problem is that there will be too few workers. Part of the solution is to assist today's workers who are supporting children—and to give them financial encouragement to have those children in the first place. With most workers paying more in FICA taxes than in income taxes, a family-based FICA would be another subtle, political means of promoting more stable families.

CONGRESS HAS A RESPONSIBILITY TO HELP UNDO SOME OF THE DAMAGE INFLICTED ON THE FAMILY THROUGH A LONG SERIES OF GOVERNMENTAL DECISIONS.

Pro-Family Budget

The second broad priority for the pro-family movement is the flip side of the first. Diversion of resources away from government and back to the family inevitably entails dramatic constriction of the public sector. That is an end in itself. For the public sector feeds the premises of the Left, supplies its financial resources, its breeding ground. And only when the Left is structurally curbed can the American family be secure.

Let me state the obvious: The only reason there is a pro-family movement in this country is that there has long been an anti-family movement. It's never called that, but there it is. Its essential strategy, it seems, is to transfer resources from what works—the two-parent family—to what doesn't. Success must subsidize failure, not until failure succeeds, but until success fails. This is why we have poured tens of billions into programs under the Elementary and Secondary Education Act without putting any of the money into the hands of parents. It explains why welfare policy has underwritten illegitimacy, and why all sorts of income-transfer entitlements kept pace with inflation while the personal exemption for taxpayers with kids was frozen.

Thus, the American Left, like the blossoming beastie in "The Little Shop of Horrors," has grown artificially, unnaturally over the last three decades—fed from the family dollars channelled by government to the millions of persons whose income no longer has any connection with market forces. But restore a pro-family tax code, enact pro-family budgets, and the money slows down. Maximize daily decision-making by households, minimize governmental favoritism, and you restore the discipline of the free market—which is to say, the public will—into all aspects of American life, especially culture. This is the only way to undercut the public policy prejudice against the traditional family and its values.

Empower Parents

Third, Congress must address two critical areas that demand a reversal of government influence—education and welfare. For the former, our task is already clear. We must aggressively assert family rights wherever they are threatened—not just in sex-education programs, but also in biased curricula, propagandizing reading lists, and ideological student counselling. Most of these battles will be fought at the local level, not in Congress. But the objective of the pro-family movement should be to array federal authority—in law, regulation, and the courts—on the side of parents.

Vouchers will be a crucial lever to move education in the right direction; while the most important progress in that regard must come at the state level, the pro-family movement can convince Congress to support parental vouchers, instead of grants to school districts, to distribute federal education funds.

A Congress friendly to the family will dismantle the apparatus of centralized government control currently building in the Clinton Administration. That includes mechanisms for setting, and eventually enforcing, national "opportunity-to-learn standards," a virtual invitation for the federal courts to take control of the way states finance education. Instead, Congress should work with the states to launch pilot projects for altogether removing federal authority from schooling. Let's see what several states can do with their schools without any federal intervention apart from enforcement of civil rights laws.

In higher education, Congress can act most effectively by acting indirectly. I want no federal hand, conservative or liberal, on the nation's colleges and universities. But we can guard against official favoritism in the awarding of government grants and contracts. And we can, as much as possible, restore market forces to academia. Only consumer rights in education can correct the problems ex-

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posed by Martin Anderson, Thomas Sowell, and other thoughtful critics of today's leftist professoriate.

The fourth pillar of the pro-family resurgence should be a radical restructuring of welfare. Stop-gap measures have their place, and I do not mean to disparage any of the welfare reform proposals now in the policy limelight. But at their best, they may make marginal improvements in a fundamentally defective system because they do not focus on the single most important factor in today's poverty equation: illegitimacy.

Will this or that welfare reform plan "put people to work"? Perhaps, but those people will still be the single mothers of children headed for limited horizons. Whatever progress is made in helping some individuals grow out of dependency is likely to be more than offset by the growing number of children without fathers.

Archive Photos

Like the Blossoming Beastie in "The Little Shop of Horrors," the American Left has grown unnaturally in the last three decades.

We still face the unanswered question: What must be done, now or in the future, to deal with a welfare system that has become the most destructive anti-family enterprise of the federal government?

My answers are tentative and open to correction. First, Congress should remove decision-making responsibility regarding welfare—beginning with Aid to Families with Dependent Children—from Washington. However it is to be financed, by federal block grants or some other mechanism, control of public assistance must go back where it belongs, to the state and local level. Only there can prudent judgments be made, on a household-by-household basis, about what might help families reach the mainstream of American life. If some states botch the job, their taxpayers can take corrective action. That will be a great improvement over the status quo, in which voters can't even ascertain who is responsible for the welfare mess—perhaps the major reason why 1960s social planners wanted to centralize the system in Washington.

Once welfare is back in the hands of the public, it will be easier to require under-age moms to live with their parents as a condition of eligibility. That's already a popular idea. I would go farther and maximize the role of religious institutions in distributing assistance. Especially in the inner city, churches should be made the primary channels for federal nutrition programs, community health services, and other programs. Many of them are already involved, of course, but I am thinking of something on a grander scale.

Congress should be aiming for the virtual replacement of public-sector welfare agencies by those of the private sector, especially religiously motivated groups that are rooted in low-income communities. That does not mean requiring church attendance; so long as no doctrinal preferences are made as to which institutions can participate, there should be no constitutional objections. It does mean increasing exposure to constructive influences on the part of those who most need it. Even more important, it means interweaving into a larger caring community those individuals—young mothers and their fatherless children—who most need support systems, counsel, and role models, as well as material aid. It means more protective influences for the vulnerable, and a better chance in life.

Some will consider those changes inadequate and will want to abolish AFDC altogether, not out of frugality but from compassion, in the belief that the availability of welfare only worsens the incidence of illegitimacy. They may be right, but there are steps we should take in the short run as we grapple with the challenge that Charles Murray and other prophets have set before us.

Paradigm Shift

Reformation is critical not only in regards to welfare, however. A deep cultural transformation is needed in the way our society views the family. Admittedly, such a "paradigm shift" must be prompted mainly by non-political factors—from William Bennett's *Book of Virtues* to a teen-counseling center at a local church. But even here, Congress has a responsibility to help undo some of the damage inflicted on the family through a long series of governmental decisions.

One step would be to reaffirm our public allegiance to the profound importance of the marriage commitment.

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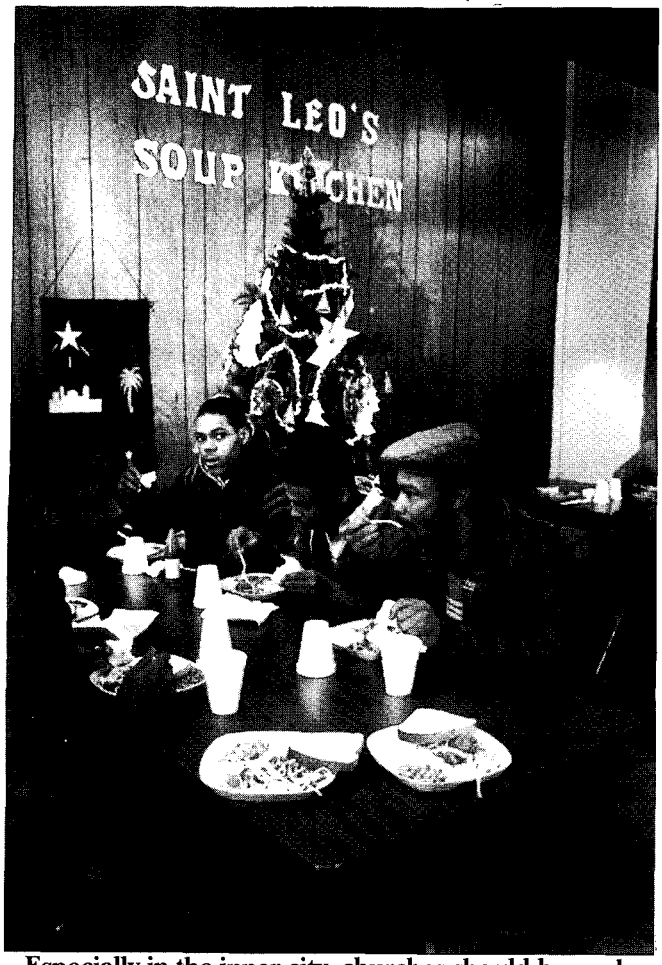

UPI/ Bettmann

Especially in the inner city, churches should be made the primary channels for federal nutrition, community health, and other social services.

Since California's legislature launched the divorce revolution in 1970, we have looked the other way as women and children were reduced to the ranks of the "new poor" by easy or unilateral dissolution of the marriage contract. Now it is time to reassert the community's interest, both economic and social, in fostering two-parent households.

I am not proposing federal legislation, but rather the drafting of a model law that state legislatures could use as a starting point for their own initiatives. It might provide for a cooling-off period (an increasingly popular concept among family counsellors). It certainly should make divorce more cumbersome in two cases: whenever children are involved, and when either spouse opposes the action. And it should reflect the British legal bias that bestows possession of property upon whichever parent wins custody of the children.

Another contentious issue for a pro-family Congress will be the legal status of non-marital living arrangements, whether heterosexual or homosexual, in federal programs ranging from health and retirement benefits to the IRS code. Last year's battle over homosexuals in the military is only a prelude to the controversies that await us. I can understand why many of my congressional colleagues would want to sidestep this difficult matter, but the policy aggressiveness of homosexual activists will eventually force the issue. However these questions may be handled at the state and local level, Congress must, for federal purposes, affirm the traditional family created by ties of blood, marriage, or adoption. In a more negative sense, Congress must ensure that no activities of the federal government give legitimacy to lifestyles inimical to the family.

Human Life Agenda

While seeking consensus, pro-family forces in Congress will nonetheless have to grasp nettles of controversy. The most obvious example is the abortion issue. The current line-up on Capitol Hill is grossly out of sync with public opinion, which splits on the continued legality of abortion but overwhelmingly supports certain restrictions on it. A Congress truly reflective of the public will on this matter could, even without constitutional amendment or a Human Life Bill, dramatically reduce the incidence of abortion.

First, it can cut off the anti-life propaganda and lobbying that flourishes on federal contracts and grants to organizations that are part of the abortion industry. A case in point is the federally controlled family planning program, Title X, which should be removed from Washington's grasp and converted to a state-controlled maternal and child health initiative. This would put a host of controversial issues, like school-based clinics, closer to local control and accountability.

Imagine, too, the impact if Congress were to mandate inclusion of at least late-term abortions in the nation's infant mortality statistics, or if the Department of Transportation included pre-born children in its traffic mortality numbers. Even while *Roe* vs. *Wade* stands, we can enact a national feticide law, in the absence of which courts have dismissed charges against persons who brutally attacked pregnant women, causing the death of their unborn babies.

Someone has observed that, in post-modern America, there are two standards for determining the morality of something: whether it's tax deductible, and whether it can be covered by insurance. So be it. Let Congress deal with abortion under both headings, barring it from any health insurance plan touched by federal policy—just as we would not tolerate racial discrimination in those plans.

More positively, Congress can promote adoption by providing a tax credit for its costs, which sometimes are quite heavy. We can also require adoption counselling in federally funded programs that assist pregnant women. We can work with state and private-sector foster care agencies to reform procedures, and rethink attitudes, that have left hundreds of thousands of adoptable kids in temporary homes.

One-Stop Shopping

A less obvious way to deepen our public commitment to the unborn and the family in general is a proposal by Congressman Tom Bliley—ignored by the current House majority—to consolidate overlapping programs into one block grant to promote maternal and child health. This would divert money from bureaucracies to actual services, let states target the special needs of their low-income households, and provide "one-stop shopping" in health care for mothers and infants. Mr. Bliley's plan could

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become the basis for a grassroots crusade against infant mortality and child abuse—the kind of initiative that will bring home to the public what the pro-family movement is truly about.

Over time, the states will do the rest. They will enact parental notification laws, require waiting periods, and ban late-term abortions. As the stigma of abortion grows, as the procedure becomes more difficult to obtain, as medical schools limit training for it, as fewer physicians are willing to perform it, and as consent laws and pregnancy aid programs help women avoid it, the clout of the abortion industry will diminish—to the point at which the nation will definitively choose life.

That choice, defining the core of our civilization, cannot be left to the discretion of an unelected judiciary. The judicial branch has, over the last half-century, done more than its share to erode the rights of the family and to create a secular culture hostile to it. It may be time, therefore, to consider a constitutional amendment asserting that the rights of the family, which are anterior and superior to government, may not be abridged.

Such a concept, of course, cries out for greater precision. Moreover, changes to the federal constitution should not be undertaken lightly. Fortunately, there is underway a related effort with regard to state constitutions. Its progress can show us the merits, and possible pitfalls, of a constitutional approach to protecting the family. If successful, it may either obviate the need for action on the federal level—or make it irresistible.

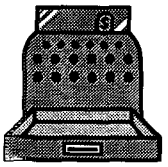
Sheltering Families

On a wide range of issues, then, the pro-family movement has much to say to the vast majority of Americans. Certainly, one of the clearest lessons of the 20th century is that the strength of government and the strength of the family often have been countervailing forces, as if the two are perched on opposite ends of a seesaw. Where the power of the state has expanded, the power of the family has correspondingly receded.

In the century ahead, the best safeguard of personal autonomy—and personal responsibility—will not be the isolated individual, but the self-directed family. Washington, with all its financial resources, programs, agencies, and countless bureaucrats, cannot advance the cause of liberty unless it allows generations of Americans to be shaped and sheltered by families. The alternative is *de facto* wardship to the state. That was the Leninist choice. It cannot, it must not be ours. ☎

American Families in Crisis

Since World War II, the health coverage of millions of families has been linked to their work place. If the main breadwinner loses his or her job, families are left uninsured, and faced with the possibility of unprecedented financial hardships.



In 1948, an average family of four paid 2 percent of its income in taxes to the federal government. Today, that family pays 24 percent.

Since 1965, U.S. taxpayers have spent $5 trillion on the "War on Poverty." Today, one out of eight children is being supported by the welfare system.

As Washington wrestles with these problems, perhaps you'd like to develop a program with a Heritage Foundation specialist on solutions that work. Contact Heritage's Speakers Bureau, 214 Massachusetts Ave., N.E., Washington, D.C. 20002; (202) 546-4400, ext. 516.

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Race Against the Cure

The Health Hazards of Pharmaceutical Price Controls

Robert M. Goldberg

To learn more about the views of consumers around the nation, a major pharmaceutical firm recently organized a series of focus groups to discuss drug prices, medical innovation, and the value of medicine. But the discussions rarely progressed beyond one issue. As soon as the focus group leader put up a chart showing that drug costs account for only 8 percent of America's total health-care spending, the protests began; the members of the group would refuse to accept that the figure was so small. It had to be more—25 or even 50 percent, argued the disbelievers. Eventually, the group would disperse, having only managed to underscore the consumers' general distrust of drug companies and the widespread belief that prescriptions cost too much.

The reactions of these focus groups are consistent with national polls showing strong public agreement with efforts to control pharmaceutical prices. Even if the Clinton health plan is defeated, price controls are so politically popular they could well be incorporated into other proposals. The support for controls is widespread both in the public and the Congress.

Drugs, Parking Tickets, Taxes

Controlling drug prices makes sense to many Americans, who have weathered a decade of steady and hefty increases in the prices of prescriptions that far exceed the general rate of inflation. Everyone knows a story about high-cost drugs: the single mother paying $85 for antibiotics to cure her toddler's ear infection; the elderly couple being forced to choose between food and medicines; the prescription that costs half as much in Ciudad Juarez as across the border in El Paso.

Americans do not have much sympathy for drug companies, either, and Bill Clinton knows it. Pharmaceutical firms have netted huge profits in the last decade; much of the public thinks these profits have been at the expense of the poor and elderly. So the president is campaigning hard to retain price controls in his health plan, and takes every opportunity to state his case against the high costs of medicines. This is an especially potent argument to senior citizens, who buy more prescription medicines than any other group in America. In February, at a visit to a pharmacy in Greenville, Connecticut, the president let the local pharmacist do the talking for him. "People come in here and actually break down because they can't afford to buy prescriptions," said the pharmacy owner. Other customers, he said, had been forced to sell their homes and give up other necessities because of soaring drug costs.

The resentment against price hikes has been compounded by the peculiar way pharmaceuticals are treated by many insurance plans. That insurers will cover expensive visits to physicians or hospitals, but often will not cover prescriptions, is one of the great paradoxes of the current health system. Many people resent paying for drugs the same way they resent paying parking tickets or taxes. This resentment is likely to grow as new pharmaceuticals replace hospital stays and other treatments as the front-line defense for most diseases.

The solution to such problems, according to the president and other price-control supporters, is to set legal limits on the price of prescription drugs. Senator David Pryor (D-AK) and Representative Henry Waxman (D-CA), have introduced legislation in which the government would set—they use the word "negotiate"—drug prices the way it now sets utility rates.

The Cost for Cures

For all their popularity, however, price controls on pharmaceuticals are one of the most dangerous elements of the Clinton health plan. The potential for controls to jeopardize drug research—and future cures—is a major threat to American health. The short-term savings are not worth the eventual harm price controls will cause.

Drug costs are not driving Americans to the poor house. In fact, Americans spend less than $250 per capita annually on medicines. It is true that prices for some—and especially innovative—drugs are high, and that these prices create hardships for some people. But even extreme price controls would not make drugs affordable to people who pay thousands of dollars for medicines out of their own pockets; cutting current profits in half would cut prices about $6.00 per prescription at the check-out counter. As for turning the pharmaceutical industry into a public utility, the Soviet Union did just that. Pharma-

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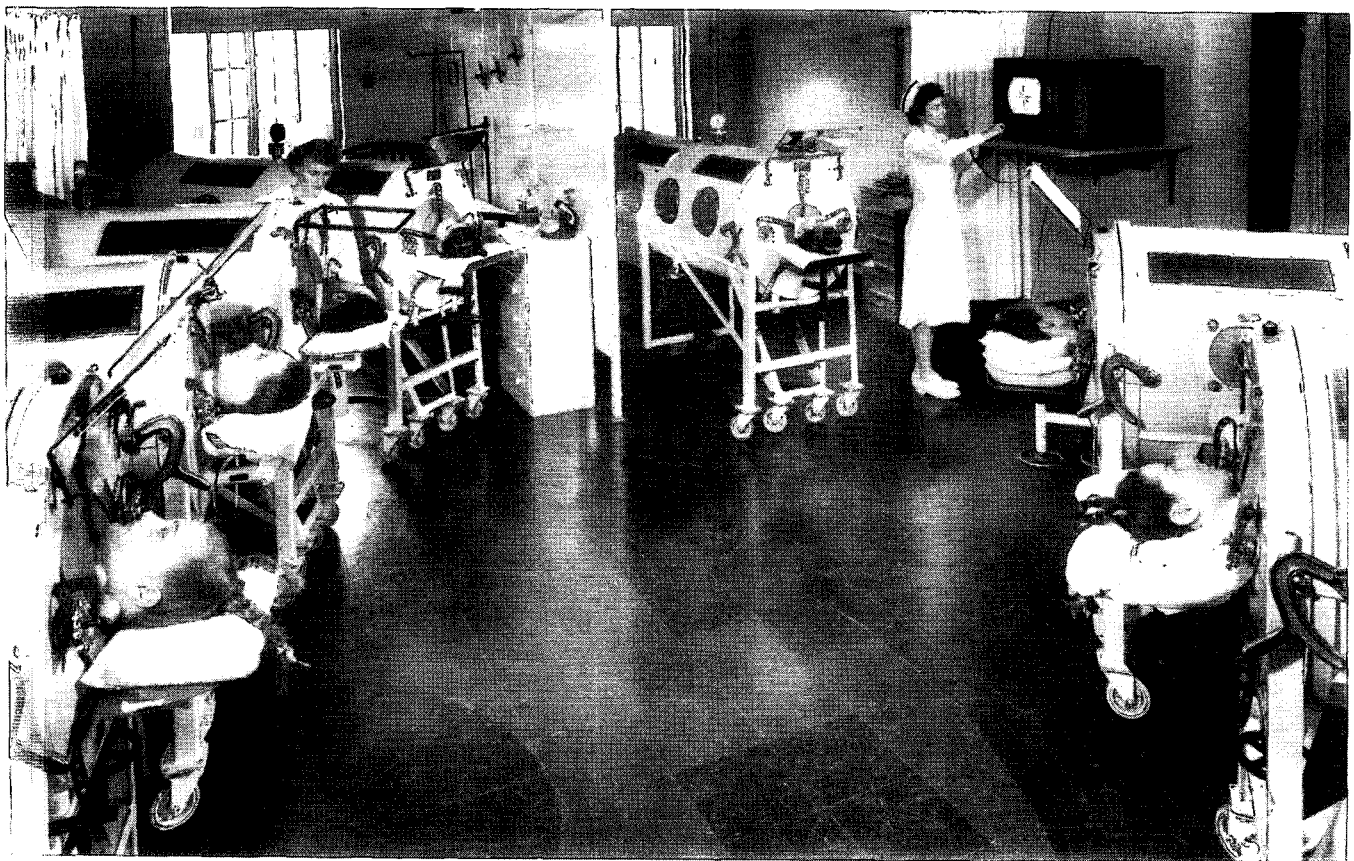

UPI/Bettmann

Polio victims in an iron-lung ward in the 1940s. The development of a breakthrough polio vaccine saved billions of dollars and countless lives. Pharmaceutical research to cure today's life-threatening diseases is endangered by the price controls in the Clinton health plan.

ceutical research, development, and availability virtually ended as a result. Medicines were, and remain, notoriously scarce and backward in the former Soviet bloc. So much for the public-utility model.

What the White House does not acknowledge in the debate on pharmaceutical prices is that today, higher-priced drugs can prolong or improve a patient's quality of life, allowing him to remain at work and with his family, instead of in a hospital or convalescing. Newer versions of existing drugs—such as Prozac for depression or Felbamate for epilepsy—reduce pain, limit side effects, and help patients in ways that earlier drugs could not. Breakthrough drugs such as Betaseron, the first drug to treat multiple sclerosis, will reduce the costs of treating diseases over the long run, even though they are more expensive than earlier-generation products.

Worth Every Penny

Today, pharmaceuticals are improving the delivery of health care and reducing the cost of treatment for many diseases. Drugs have reduced the death rate from arteriosclerosis, early childhood diseases, heart disease, ulcers, polio, and tuberculosis. The cost of maintaining a polio victim on an iron-lung machine today would run into the tens of thousands of dollars annually, while the common polio vaccine is now inexpensive. Treating typhoid with methods used before the discovery of antibiotics would cost approximately $100,000. New drugs also have made possible many life-saving procedures such as organ transplants, chemotherapy, and kidney dialysis.

The most innovative drugs of the late 1970s and 1980s had higher real prices than the earlier generations of drugs—and they were worth every penny. Such new products as Tagamet and Zantac for ulcers, Procardia and Capoten for hypertension, Mevacor for cholesterol, and Naprosyn for arthritis allowed physicians to actually control diseases that had led to fatal and crippling illnesses.

The White House's targeting of drug companies and biotechnology firms as among the villains in the health-care debate seems especially shortsighted, since the technologies these firms develop are among the best uses of medical resources. Dr. Lewis Thomas, the late essayist and president of Memorial Sloan-Kettering Cancer Center, once observed that pharmaceutical innovations are the most genuinely decisive technology of modern medicine. Pharmaceuticals are the product of a genuine understanding of disease mechanisms. There are few important human diseases that medicine has the outright capacity to prevent or cure in which the cost of treatment with drug therapy is as high as managing the same disease without the drugs.

The Demand for Better Medicine

The administration's efforts to paint pharmaceutical companies as money-grubbing crooks have unfairly singled out the industry as a scapegoat. Drug companies, like other businesses, try to make as high a profit as they can. They can do so only when their research leads to drugs

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that doctors and patients want. Patients and insurance companies may not like an innovative drug's high price, but they pay it nonetheless when the drug is the best treatment or can prevent other costs associated with an illness or disease. If the demand for a particular drug is high, as it often is when a breakthrough comes onto the market, the price will be high. These prices reflect the demand for continuing innovation.

High prices also reflect the inherent risks of the pharmaceutical and biotechnology industries. The medical advancements they deliver are extremely difficult to generate: Only one out of 1,000 drugs in development ever makes it onto market and turns a profit.

TODAY, HIGHER-PRICED DRUGS CAN PROLONG OR IMPROVE A PATIENT'S QUALITY OF LIFE, ALLOWING HIM TO REMAIN AT WORK AND AT HOME, INSTEAD OF CONVALESCING OR IN A HOSPITAL.

The importance and challenge of innovative knowledge has been recognized by the long patent life—17 years—available to companies that invest in research and development. Patent protection has traditionally been strong in the United States, and is a principal reason for America's leadership role in biotechnology. The importance of patents to profitability and investment has not been lost on politicians. Senator Pryor and others have proposed a bill to reduce the patent life of products that exceed prices or price increases set by government agencies. This outright confiscation of intellectual property could cripple research and development (R&D) faster than price controls.

Price-control advocates stress the price system's excesses rather than its fundamental validity. With rare exceptions, drug prices have functioned to encourage and reward the development of and investment in innovative medicines. Low drug prices, on the other hand, encourage and reward the duplication of existing medicines—one reason so many companies are getting into the generic drug market.

Blockbuster Funding

Drug prices, like all others, are set by market forces, which explains why drug prices actually declined in real terms during the 1970s, a time of very few therapeutic advances. Consumers were simply unwilling to pay higher prices for products that did not significantly advance medical knowledge, and doctors were unwilling to prescribe them. Drug companies must continually meet the demand for more advanced drugs to prosper; without truly innovative products, companies could not obtain real price increases. Pharmaceutical cash flow began to decline, and R&D spending as a percentage of sales declined from 13 percent in 1971 to 11 percent in 1980. As Duke University economists Henry Grabowski and John Vernon found, the average drug introduced between 1970 and 1974, "had an estimated present value significantly below its R&D investment" due to the decline in real drug prices.

Starting in the early 1980s, however, the discovery of blockbuster drugs funded a boom in pharmaceutical research. These drugs became blockbusters—billion-dollar-a-year sellers—because their real prices allowed recovery of R&D costs and strong cash flows. This in turn led to a surge in R&D spending, and brought U.S. drug research to its current place as the world leader in drug therapy. Between 1980 and 1992, R&D spending in the pharmaceutical field increased 500 percent, from $1.5 billion in 1980 to about $9.1 billion in 1992. And indeed, as the search for innovative drugs intensified, R&D expenditures, which had declined during the 1970s, surged from 11.7 percent of sales in 1980 to about 16 percent in 1992. The ability to obtain higher real prices for innovative products stimulated competition to develop the next generation of medicines.

Research and development investment since the 1980s has focused on finding more effective treatments and cures for such diseases as AIDS, cancer, Alzheimer's, mental illnesses, and rare genetic disorders. The rapid emergence of the biotechnology industry is a direct result of the future promise of high returns of developing such breakthroughs. Because the risks of R&D are high, pricing freedom is essential to encourage innovation.

False Comparison

Critics of the American pharmaceutical industry point to price controls in Europe as a model for the United States drug market. Citing a recent General Accounting Office report that British drug prices were generally lower than those in the United States, Representative Henry Waxman stated, "Britain's experience with pharmaceutical price controls shows it is possible to have lower drug prices and a thriving researched-based pharmaceutical industry." President Clinton has made essentially the same statement about Germany's pharmaceutical firms.

The comparison of U.S. and European pharmaceutical technology is false, since U.S. dominance in pharmaceutical innovation is overwhelming. According to a study by Heinz Redwood of Britain's Adam Smith Institute, American firms have developed 114 world-class drugs—drugs that are sold in the seven largest world markets and are considered to be therapeutically innovative—between 1970 and 1992. British and German drug concerns have developed only 24 each. In fact, the United States has developed more of these drugs than the rest of the world combined.

As for innovation where it counts—biotechnology—the U.S. lead is insurmountable. Biotechnology provides a roadmap for reaching an understanding of the way diseases and biological mechanisms work at the molecular level. Such discoveries are leading to the development of new drugs that allow the treatment of major debilitating and fatal diseases far more effectively and at far less cost than the mostly palliative therapies used today. Technology continues to advance rapidly, and for the first time

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the potential to cure many grave illnesses is conceivable. The large untapped markets for such therapies and the hope they hold have attracted the best scientific talent and venture capital to biotech, creating a uniquely American industry.

There are some 1,300 biotechnology firms in the United States today, compared with only a handful abroad. American companies have discovered over 85 percent of the biotech products currently in clinical development. American firms hold a technological edge in every advanced form of biotech treatment, whether gene therapy, cell adhesion, or antisense therapy. Such research could provide cures to cancer, cystic fibrosis, and muscular dystrophy, as well as effective control over arthritis, stroke, Alzheimer's disease, and AIDS.

British Rations

The European drug industry is the best evidence that price controls stifle innovation. In Britain, controls on pharmaceutical prices have lead to an erosion in profits, reducing the industry's ability to invest in future drugs. The return on capital in the British pharmaceutical industry has declined from 27 percent in 1970 to 4.5 percent in 1991. As a result, British drug companies have only one of the top-ten best selling products worldwide—the ulcer medication Zantac—down from three in 1988. The United States has eight of the top-ten best sellers, including Capoten, Mevacor, and Ceclor. Given the poor profits in Europe, it is no surprise that the British have funnelled an increasingly bigger portion of their R&D budgets to their U.S. operations and into joint ventures with American biotech concerns. According to the Association of the British Pharmaceutical Industry (ABPI) British drug companies have shifted nearly $1 billion per year in R&D to their U.S. operations since 1980.

Supporters of controls contend that Europe gets a free ride from U.S. innovation because of Europe's lower drug prices. But the true result of price controls in Europe has been drug rationing. The British National Health Service has limits on drug spending that force doctors to ration breakthrough medicines. Only 1 percent of all epilepsy patients on the national health plan in Great Britain receive the newest and most effective anti-convulsants, despite the fact that the drugs reduce seizures and slow down the advance of Parkinson's disease. Similarly, only 1 percent of all cancer patients receive powerful anti-nausea and immunity-boosting drugs that reduce the side effects of chemotherapy. In the United States, the majority of high-dose chemotherapy patients receive these drugs.

German Measly

President Clinton's frequent references to the German drug industry should give America chills. Since 1993 in Germany, a government mandated 5-percent cut in drug prices, price "negotiations," and limits on the reimbursement of drug costs have led to a severe decline in domestic R&D investment. These regulations have caused over 125 German pharmaceutical firms to reduce R&D. Forty percent of these firms are cutting 10 to 30 percent of their R&D budgets and 22 percent are trimming R&D by one third or more. According to Bayer a.g. chairman Manfred Schneider, "The research-based pharmaceutical industry no longer has a future here."

Nor does the public's access to new drugs for that matter. The cuts in German drug spending have led doctors to prescribe cheaper, less effective drugs, with the obvious consequence. A recent study showed that the 25-percent decline in drug spending has resulted in a 10-percent increase in hospital admissions for patients with heart disease, cancer, Parkinson's, and ulcers. As a result of the increase in hospitalization, the German health-care system is spending as much on health care today as they did before they put price controls on pharmaceuticals.

Killing Investment

In part because its price-control proposal is based on European systems, the Clinton administration is anxious to show that controls will not discourage investment in innovative research. Chris Jennings, the White House point man on pharmaceutical price controls, asserts that the administration is not convinced the industry has financing problems. He cites a study by Feinstein Partners, a Boston consulting firm, that says that biotech firms raised $2.9 billion in 1993, the largest amount ever.

In fact, biotechnology companies raised less money for R&D in 1993 than in previous years. About $700 million went to debt refinancing unrelated to R&D investment. More important, according to the biotechnology financial newsletter *BioCentury*, the cash raised per company was actually some $4 million less than in previous years. Much of the decline is due to the record $500 million worth of initial public stock offerings (IPOs) that were canceled in the wake of President Clinton's attack on drug prices in February 1993.

ONLY 1 OUT OF 1,000 DRUGS IN DEVELOPMENT EVER MAKES IT ONTO THE MARKET AND TURNS A PROFIT.

Some supporters of price controls, such as Senator Edward Kennedy (D-MA), have talked openly about imposing price controls on bigger companies while leaving smaller biotech concerns alone. Such divide-and-conquer proposals ignore the life-support role pharmaceutical firms play in sustaining biotechnology. The fact is, price controls on drug companies would cripple the biotech industry and innovation generally. A study conducted by the Institute for Biotechnology Information (IBI) found that most biotech firms reported 50 percent or more of their income from equity investments, technology agreements, joint ventures, and other alliances with pharmaceutical companies.

David Hale, CEO of Gensia, a San Diego biotech firm, observes that such agreements were "a key to our survival and future success ... and very important in helping Gensia complete a successful IPO." But instead of increasing their investment in biotechnology, many drug companies are reducing such alliances, and finding other

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Reuters/Bettmann

Hillary Clinton, Senator Edward Kennedy, and former Boston Mayor Raymond Flynn visiting a Boston pharmacy. Price-control advocates emphasize the current system's excesses, but generally drug prices encourage investment and the development of innovative medicines.

ways to invest, such as investing in drug-benefit companies and buying up stakes in generic drug firms.

Companies are also reducing investment in joint ventures with the National Institutes of Health (NIH). Congress and the White House want NIH to strictly enforce a requirement that drugs developed jointly with private firms be subjected to a "reasonable" pricing negotiation. This insistence on price controls has "nearly ruined the system," in the words of Dr. Steven Paul, the former scientific director of the National Institute of Mental Health and a creator of the NIH technology-transfer program. The number of cooperative agreements has declined from 47 in 1992 to 26 in 1993.

Stalling Breakthroughs

The drop-off in biotechnology funding has forced companies to hold off clinical development of breakthrough drugs. Hence, for the first time since 1989, the number of biotechnology drugs in clinical trials has declined. The capital shortfall in biotechnology may be permanent if price controls are imposed, leading to further declines.

Because so many important drugs are being developed by small companies, the human cost of price controls on biotechnology could be high. According to the Biotechnology Industry survey, 80 biotech companies have scaled back research on cancer and AIDS because of funding limits. Viagene has canceled clinical trials of a drug that could help fight HIV. ImmuCell is delaying research on medicine to treat newborns suffering from fatal dehydration. Cytogen has stopped testing breast and lung cancer diagnostics as a result of funding problems. Other companies developing drugs for Parkinson's, lupus, arthritis, muscular dystrophy, and multiple sclerosis have blamed price controls for their financial woes. Karen Bernstein, the publisher of *Biocentury*, observes, "The impact of price controls on biotechnology and pharmaceutical investment would be devastating. Investors have infinite choices and would simply seek out higher returns elsewhere."

Larger biotech firms are not immune. Kirk Raab, Genentech's CEO, is more direct: "I don't think we would have developed Pulmozyme if the Clinton price controls had been imposed. If they are, we will be forced to eventually stop doing research on AIDS and cancer and more research on allergies." Genzyme's Henry Termeer asserts "If we had to raise $100 million for our development of gene therapy for cystic fibrosis today, we couldn't do it."

What's It To You?

Why should Americans care about saving biotech firms? Why should we worry about the health of the U.S. pharmaceutical industry? Because health-care costs will continue to climb without new drugs that can effectively treat, prevent, or cure the major diseases of our time. Today, the costs from major uncured diseases such as heart disease, stroke, cancer, Alzheimer's, and depression are nearly $400 billion annually, without regard to the human suffering these conditions impose. No health

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plan, regardless of who sponsors it, can prevent those costs. Ultimately, the best way to lower health-care costs is to discover ways to effectively treat or eradicate diseases. As the following examples suggest, price controls will stifle such innovation and stall the momentum gained against known killers.

AIDS The introduction of AZT and other anti-viral drugs has slowed the progression of HIV in those infected with the virus. In combination with drugs that prevent opportunistic infections associated with AIDS, pharmaceutical advances have increased the life expectancy of AIDS victims from four months to several years. In the process, new drugs have reduced the time AIDS patients spend in hospitalized and those associated costs. A recent breakthrough in research suggests that AZT may prevent the development of HIV in the fetuses of infected pregnant women.

Drugs currently in development hold the promise of "staving off the onset of full-blown AIDS for 10, 20, or 30 years, while we work on a cure," notes Dr. Anthony Fauci, director of the National Institute for Allergies and Infectious Diseases. According to Dr. Henry Chang, director of research for the Shared Medical Research Foundation, "Gene therapy holds real promise for arresting the progression of HIV."

CANCER Cancer is still one of America's great killers: Approximately 525,000 people die of different forms of cancer each year. But the ability to treat cancer effectively has accelerated rapidly in the last decade. Many cancers, such as advanced stage Hodgkins disease, acute lymphocytic leukemia, and hairy cell leukemia are now curable. New chemotherapy drugs have increased survival rates for breast cancer, testicular cancer, and—with the introduction of Taxol—ovarian cancer. According to a report by the National Pharmaceutical Council, such drugs reduce infections and hospital stays, saving between $7,000 and $12,000 per patient.

In addition to the advances in drug therapies, researchers have identified over 100 oncogenes that trigger tumor growth and 10 tumor suppressor genes. Gene Therapy, Inc. has made progress in curing brain cancer through the replacement of defective genes with genes that stop the production of cancerous cells. Other firms are developing drugs that block the DNA replication of defective genes.

ALZHEIMER'S DISEASE Nearly 4 million Americans 65 or older have Alzheimer's disease. With the baby boomers aging, 9 million cases are projected by 2040 if no cure is found. The cost of caring for someone with Alzheimer's is approximately $50,000 to $60,000 per year. Equally significant is the emotional and social strain incurred by patients and their families during the progression of the disease.

Until recently there was no treatment for Alzheimer's. But a drug approved in 1993, Warner-Lambert's Cognex, shows great promise. Cognex boosts the neurotransmitters and staves off the dementia, violent behavior, and incontinence associated with Alzheimer's for up to a year. Compared to the $60,000 annual bill to treat Alzheimer's, Cognex treatment costs only about $1,000 a year.

According to Dr. Frederick Goodwin, director of the National Institute for Mental Health, "It will be possible to control Alzheimer's like cholesterol by the end of the decade." Several companies are working on drugs that will inhibit the production of plaque that builds up in the brains of people with Alzheimer's. And some experiments show that certain heart medications can help reduce the buildup of protein deposits as well. Most recently, researchers at Duke University discovered that individuals with two copies of a gene for a protein called apolipoprotein (ApoE) are more likely to get late-onset Alzheimer's, the most common form of the disease. Several drug companies are now licensing the findings from Duke to develop a diagnostic test and new drugs based on the breakthrough.

MENTAL ILLNESS About 4 percent of Americans experience clinical depression during any six-month interval. Over half of the people with depression are unable to work; the annual economic and medical cost of depression in the United States is about $30 billion per year

THE BRITISH NATIONAL HEALTH SERVICE HAS LIMITS ON DRUG SPENDING THAT FORCE DOCTORS TO RATION BREAKTHROUGH MEDICINES.

according to a recent study from the Massachusetts Institute of Technology (MIT). Worse, one in six patients ends his pain through suicide.

The introduction of Prozac and other anti-depressants that selectively regulate serotonin levels in the brain has made important strides in treating depression. Suicide rates among those treated for depression had been increasing before Prozac was approved by the Food and Drug Administration. Since the introduction of Prozac and other new antidepressants, suicide rates have declined. According to a study in the *Journal of Clinical Psychiatry*, successful treatment of depression with newer anti-depressants such as Prozac saves approximately $900 per patient in hospital costs annually.

One of the most heart-breaking and frustrating of all mental disorders is schizophrenia, a psychosis marked by withdrawal, bizarre and delusional behavior, and mental breakdown. Clozaril, a new drug for this treatment-resistant disorder, is proving effective in many patients, and actually allowing them to live normal lives. The drug also reduces hospitalization costs by about $33,000 per patient annually. New drugs that deal with other hard-to-treat mental disorders, such as some forms of manic depression and severe schizophrenia, are now in development.

CYSTIC FIBROSIS Cystic fibrosis (CF) is a genetic disease in which a faulty gene causes the lungs to secrete a thick mucus that congests the lungs. The congestion can cause persistent bacterial infection and permanent lung damage. Prior to 1980, most CF victims did not live into their teens. Today, due to antibiotics and enzymes that loosen the mucus, the average life span of a CF victim has increased to about 30 years.

Meanwhile, on the biotech front, the faulty gene that

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causes CF was discovered and isolated in 1989. Using that discovery, Genentech developed Pulmozyme, a protein that acts like "molecular scissors," cutting up the excess DNA in the thick mucus secretions. Continuous treatment with Pulmozyme costs about $10,000 a year, but using it improves breathing function and reduces the risk of the recurring lung infections that require hospitalization equal in cost to treatment with this new drug.

According to Dr. Robert Beall, director of the Cystic Fibrosis Foundation, "We are close to a cure for CF." The Genzyme Corporation successfully corrected the malfunctioning gene in an experiment last year and has expanded the clinical development of its cure. According to Dr. Beall, "Gene therapy will probably be no more expensive than the current annual cost of the halfway, and ultimately unsuccessful, method of treatment."

Infectious Diseases Penicillin, once a wonder drug, has been eclipsed today by several generations of antibiotics. Penicillin successors such as tetracycline have given way to more recent treatments such as cephalexin, commonly known by its patent name Keflex. Today the newer cephalosporin and quinolones, which are effective against a wider spectrum of bacteria than older antibiotics, are reducing treatment failures and the need for additional care or hospitalization.

NO HEALTH PLAN, NO MATTER WHO SPONSORS IT, CAN PREVENT THE COSTS OF INCURABLE DISEASES. ULTIMATELY, THE BEST WAY TO LOWER HEALTH-CARE COSTS IS TO ERADICATE THOSE DISEASES.

The rapid emergence of new and treatment-resistant bacterial and viral infections means that constant innovation in the antibiotic field is essential to stay ahead of infectious disease, and is important in saving money as well: Hospital stays due to infection cost more than $1.5 billion a year. These new drugs have also proved essential in successful organ transplants. New antibiotics prevent rejection of kidney transplants, saving dialysis costs of about $60,000 a year. Cyclosporines also prevent other types of transplant rejection and save about $180,000 per patient, compared to organ recipients not treated for post-operative infections with these advanced drugs.

Fungal infections, which are notoriously hard to identify and treat, are a huge problem among cancer and AIDS patients since their immune systems are depleted. But there are breakthroughs here too. A study in the *New England Journal of Medicine* found that only 1 out of 179 with fungal infections who were treated with the new drug fluconaasole died, compared with deaths of 10 of 177 patients who did not receive this new drug.

Lou Gehrig's Disease Breakthroughs are always on the horizon. Most recently a French company announced a new drug to slow the advance of amyotrophic lateral sclerosis, more commonly known as ALS or Lou Gehrig's disease. This degenerative disease attacks the nervous system and destroys muscle control, slowly wasting its victims. The disease has remained basically untreatable, and its victims' life expectancies have not lengthened significantly since the famous New York Yankee died of ALS in 1941. A number of companies, including the American-based firm Regeneron, are working on treatments that may provide the first therapeutic advances for this terrible disease. But when the treatments finally become available, they will no doubt be expensive. Should this stop the research?

Drug Bureaucracy

The promise research holds for future cures is threatened by the Clinton plan at several levels. Drug research breakthroughs will be difficult to achieve with price controls in place. If the administration's proposal to control drug prices had a slogan, it would be "No good deed goes unpunished." Manipulation of pharmaceutical prices is one of the most coercive elements of the Clinton plan. Indeed, the price controls proposed by the White House would jeopardize the most innovative and therapeutically important products of the next decade.

First, the plan establishes an Advisory Council on Breakthrough Drugs to examine and determine whether the price of truly innovative drugs is reasonable. Drug companies, threatened with stiff fines, would be forced to provide all financial data demanded by the Department of Health and Human Services (HHS) for this purpose.

Second, HHS would have the authority to negotiate the launch price of new drugs. The negotiation process is exactly the same as that used in France, Germany, Italy, and Great Britain, except in one critical respect. The Clinton proposal goes one step further than European price controls: HHS would extract an additional 17 percent from the total dollar sales volume sold to Medicare patients. This 17 percent rebate is really a tax, and is the minimum HHS can impose, according tothe proposed price regulations. High-priced drugs are subject to special rebates that may be higher.

Finally, HHS could deny reimbursement for drugs when a "reasonable" price and rebate is not accepted by a company, effectively blacklisting the drug. And companies that raised their prices above the rate of inflation would be required to rebate the difference to the government or be blacklisted.

According to Grabowski and Vernon, a 23 percent price cut on breakthrough drugs—nearly the same as the potential impact of a negotiated price and a flat 17 percent rebate—would reduce cash flow from sales by 60 percent. Such reductions could virtually halt drug research, since the profits from breakthrough drugs support the R&D of other, less profitable drugs as well as future innovations.

The Clinton plan will also limit the use of higher-price new drugs by empowering a National Quality Management Council to establish mandatory practice guidelines for the treatment of disease. For Medicare patients, the government would establish a list of preferred drugs for reimbursement. Such regulations would require doctors

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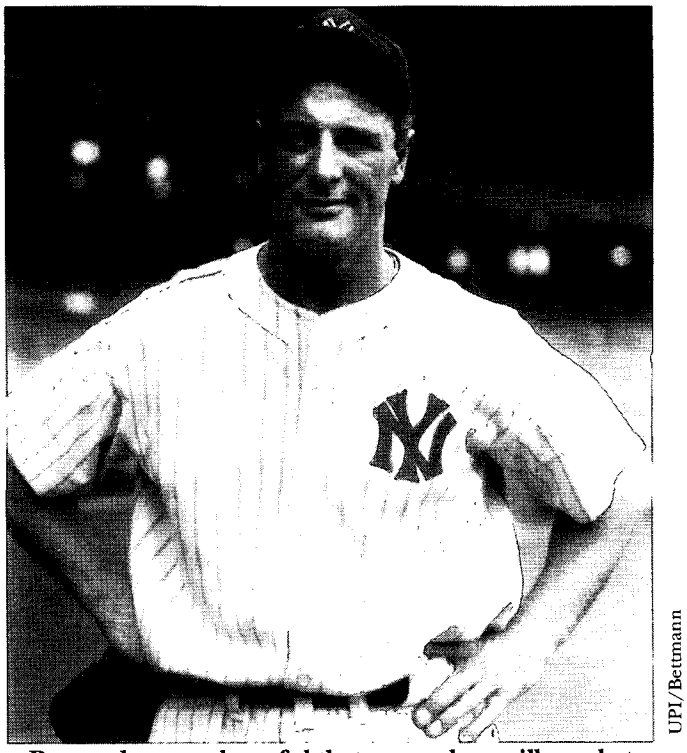
to obtain permission from the government or alliance bureaucrats before using drugs not recommended for reimbursement by HHS or the National Health Board. Similar, restrictive price formulas that limit reimbursements on innovative, higher-priced drugs have kept drugs of substantial therapeutic benefit from people for years in Europe, and are also found in the U.S. Medicaid program. Prozac, for example, is still not on the California Medicaid drug list for reimbursement despite its being more effective than older, less expensive anti-depressants. According to the *New England Journal of Medicine*, cuts in Medicaid budgets for pharmaceuticals have lead to increases in the number of people hospitalized in New Hampshire.

The Human Costs

Such drug rationing is happening in the private sector as well; many health maintenance organizations (HMOs) restrict innovative drug use. Kaiser Permanente excludes Cognex because it costs too much, ignoring the fact that not using it means quicker progression of Alzheimer's conditions that require home care or nursing home care. The *Wall Street Journal* noted that the California state government wants HMOs providing health coverage to state employees to reduce spending by cutting prescription drug budgets. The possible target for cuts? "Costly new psychiatric drugs" that wreak "budget havoc." Despite evidence that new drugs like Clozapine, the breakthrough for schizophrenia, is giving people back their lives, and obviously their productivity, the HMO's plan to encourage the use of cheaper "alternatives."

Price controls carry a significant human cost. Because they ration or deny future cures, they are tantamount to withholding essential medicines to sick people who have no other hope. Indeed, the underlying ethic of medical progress—the absolute worth of a single human life—is at odds with the purpose of price of regulation. But in the moral calculus of the Clinton administration, medical progress is not an opportunity, it is simply an expensive obstacle to health-care reform.

This sentiment has been expressed implicitly when the debate turns to the terminally ill, who are almost always characterized by the administration as a "drain on health-care resources." In recent weeks, the impatience with life-saving investments has become more explicit. According to *Biotech Daily*, a senior White House official has advised Genzyme Corporation CEO Henry Termeer to refocus his company's research into "more broad research" and away from expensive treatments aimed at Gaucher's disease, cystic fibrosis, or other diseases that affect a small number of people. According to the article, "The administration does not want to have to deal with products such as Ceradase, Genzyme's effective, but expensive, treatment for Gaucher's disease, a relatively rare condition." So much for health care that is always there when you need it.



UPI/Bettmann

Researchers are hopeful that a new drug will combat Lou Gehrig's disease, a fatal illness that killed the famous Yankee in 1941 and has remained untreatable.

Preemptive Euthanasia

Lionel Trilling once wrote that "Some paradox of our nature leads us, when once we have made our fellow men the objects of our enlightened interest, to go on to make them the objects of our pity, then of our wisdom, ultimately of our coercion." The Clinton administration and its supporters insist that price controls on drugs are a moral imperative. They justify them by asserting that conquering health-care costs and profiteering is more important than conquering disease and improving the quality of life. And from this perspective, rationing future cures is simply part of the cost-containment effort initiated on behalf of the common good.

The White House is fed up with articles such as this one. The Clintons are indignant because they insist it is unfair to characterize their plan as including price controls. Perhaps in a semantic respect, the administration is correct. There is a more accurate description of what price controls could become: Preemptive euthanasia. We should not deceive ourselves that the deliberate and coercive elimination of future cures, given their potential and possibilities, would be anything less than that.

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William Bennett's "Spiritual Despair"

Is America in Revolt Against God?

Elizabeth Fox-Genovese, Os Guinness, Joshua O. Haberman, Mark Noll, Dennis Prager, James V. Schall, Bret Schundler

America's worsening social pathologies—crime, welfare dependency, illegitimacy—have convinced many on both sides of the political aisle that the nation is in a stage of deep cultural decline.

Writing in the Winter Issue of *Policy Review*, former Education Secretary William Bennett identifies the old vice *acedia*—"a corruption of the heart, a turning away in the soul"—as the source of this decline. In his article, "America's Revolt Against God," Mr. Bennett argues that America is validating on a national scale the ancient insight that private belief in God, or a lack of such belief, carries with it profound public consequences.

And therein lies the nub of the problem: The political process is simply unable to address the deeper cultural issues at stake. Mr. Bennett warns that "it is foolish, and futile, to rely primarily on politics to solve moral, cultural, and spiritual afflictions." Though he calls for a stronger connection between our deepest moral beliefs and our legislative agenda, Mr. Bennett insists that without the revitalization of vibrant faith, political reform cannot reverse the tide of cultural drift.

"If I am right and the chief problem we face is spiritual impoverishment, then the solution depends, finally, on spiritual renewal," he says.

Mr. Bennett's article provoked the following comments.

Elizabeth Fox-Genovese

Professor of history, Emory University.

According to William Bennett, Americans suffer from a spiritual decay that has left us singly and collectively without a sense of purpose. Mr. Bennett's diagnosis is essentially sound, but in divorcing our spiritual crisis from our material abundance, he risks oversimplification.

Mr. Bennett properly discounts the notion that material deprivation accounts from the proliferation of crime, illegitimacy, and family breakdown. As a nation we do enjoy unprecedented material prosperity, although, demonstrably, share pitiably in it. But our collective prosperity does not justify a dismissal of social and economic issues from the discussion. In effectively easing the consciences of the truly prosperous Mr. Bennett opens himself to the charge of sleight of hand. For, if material deprivation cannot explain our moral and spiritual bankruptcy, our material prosperity, may. The notion that it is impossible to have too much of a good thing comports poorly with the dictates of a demanding God. Although Christians have suggested that we leave Caesar's matters to Caesar, they have also worried about the ability of camels to pass through the eyes of needles.

Mr. Bennett here uncharacteristically slights the special responsibility of the affluent. In embracing prosperity as the ultimate sign of individual worth and personal freedom as the ultimate human goal, our elite is sending a message that the poor have embraced to their own disadvantage. Like it or not, we do have an elite—economic and political as well as cultural. Every society does. Like it or not, our nation has been built on a tradition of individual responsibility. Not every nation has. Today our fanatical devotion to egalitarianism masks the significance of our elite, just as our growing devotion to victimization undermines individual responsibility. Up to this point, Mr. Bennett and I presumably agree. But we apparently differ on the moral and political lessons to be drawn.

Mr. Bennett knows that the moral failures he deplores cut across class and political lines, as does the willingness to redress them. He is less willing to acknowledge that individual moral effort will not alone do the trick. Deploring the free market in morals, Mr. Bennett nonetheless celebrates the free market in commodities, without answering those who fear that the one may depend upon the other. When the workings of the free market demand a constant titillation of the senses and an unremitting pressure to define the self by commodities, then restraint, self-discipline, and deferred gratification become economic sins. The problem is not that some have more than others, but that we are encouraged to define our worth by what we have and struggle to acquire more. In such a competition, morality predictably fares poorly: Alas, it does not "sell."

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Americans may not just be in revolt against God. They may be replacing him with Mammon. If so, the responsibility of the affluent, whose prosperity depends upon the willingness of others to share their deification of commodities, is heavy indeed.

Os Guinness

Author of The American Hour *(The Free Press 1993), and executive director of the Trinity Forum.*

William Bennett's article was superb—deadly accurate in argument, courageous and trenchant in style, urgent and timely in its sense of moment. For me as a European visitor to the United States, Mr. Bennett's article comes closer to capturing the present American predicament than any single recent article.

I only wish Mr. Bennett's argument stood a better chance of being debated. In the hope that it might, I offer five observations to those carrying the discussion further:

First, the roots of the crisis must be traced to the decisive influence of modernity—understood as the structures and spirit of our modern world produced by such revolutionary forces as capitalism and industrialized technology. Many conservatives, particularly those in a blaming and victim-playing mood, prefer to target more identifiable and culpable enemies, such as liberalism and socialism. But the short-term gain in adrenaline does not compensate for the long-term loss in accurate analysis. The conservative movement is the loser.

Second, the deepest effect of the impact of modernity must be seen as a crisis of cultural authority. Such a crisis is far more damaging than other single cases, such as decaying inner cities, broken families, and mediocre education. It is deeper, too, than analyses based on culture warring. America is distinctively a nation by intention and by ideas. Yet today those beliefs, traditions, and ideals—both spiritual and civic—are losing their compelling power in culture.

Third, a key reason for the startling incomprehension that paralyzes discussion of America's spiritual crisis lies in the make-up of America's leaders. As Peter L. Berger observed, the United States is unique among modern nations for having a populace as religious as India's but an elite as secular as Sweden's. In my experience the problem is not due to hostility, but to the tone-deafness of unwitting ignorance.

Fourth, one political prerequisite for any solution is the reconstruction of America's public philosophy, or common vision for the common good. Mr. Bennett's analysis is wasted if it is turned into one more round of artillery fire in America's culture war. A "sacred public square" is no answer to the dangers of a "naked public square." What is needed is a civil public square in which citizens of any and all faiths are free to enter and engage public life on the basis of the vision that animates their lives.

Fifth, the deepest prerequisites for an American renaissance is a revitalization of national ideals and institutions through an essentially spiritual revival. Cultural change has gone too far. Political change can do too little. Such a revival on the order of the first or second Great Awakenings is inconceivable to many Americans, whether liberals with a secular orientation or conservatives with an economic orientation. But America's future lies unquestionably with the prospects of such a wild-card factor.

Joshua O. Haberman

Rabbi emeritus of the Washington Hebrew Congregation.

William Bennett's "Revolt Against God" is a wake-up call to our nation which still measures its well-being by strictly material criteria such as economic growth, per-capita wealth and the trappings of its proliferating technology. The prevailing notion is that more of the same will cure the mounting problems of social decay evident in record levels of crime, murder, juvenile delinquency, and drug addiction, not to mention an epidemic of sexually transmitted diseases. Although a directly targeted response to each of these problems is imperative, Mr. Bennett reminds us that these plagues can not be eradicated merely by social policy measures—or politics—however enlightened and innovative—because they are symptoms of a deeper malaise.

Most of these social ills must be traced to the disintegration of the American family, the tens of millions of broken homes and countless children being "raised" by persons other than their parents, victimized by neglect, by abuse, and by degrading role models. Yet the family in crisis, which is surely the breeding ground of much that is wrong in American life, is itself an effect rather than the ultimate cause of our problems.

Mr. Bennett correctly identifies the root cause of America's social decay in an expanding moral and spiritual vacuum in which much of the nation is losing its sense of right and wrong, respect for the sanctity of life and the vision of the good way, "to do justly, love mercy and walk humbly before God." Even the agnostics of the 18th-century Enlightenment appreciated what Mr. Bennett calls "the civic case for religion" and would have agreed that religion "provides society with a moral anchor and nothing else has yet been found to substitute for it."

In the first quarter of the 19th century, Alexis de Tocqueville recognized in the Biblically grounded moral consensus of America the very foundation of public order and democracy. How did we lose it? Although Mr. Bennett does not address himself directly to this question, he suggests various culprits that must share responsibility for our moral and spiritual attrition: the media purveying a vulgar pop culture, a demoralized and demoralizing education system, etc.,—but is organized religion itself without blame?

What about the performance of the custodians of faith, the clergy? How many of the spokesmen of religion, ministers, priests, and rabbis, have turned into mere echoes of political platforms or, worse, pulpit entertainers, trivializing the pulpit with theological irrelevancies? Instead of meeting the challenge of secularism, many of our churches and synagogues have themselves become thoroughly secularized, resembling social clubs rather than fellowships of believers. It is time for many of Amer-

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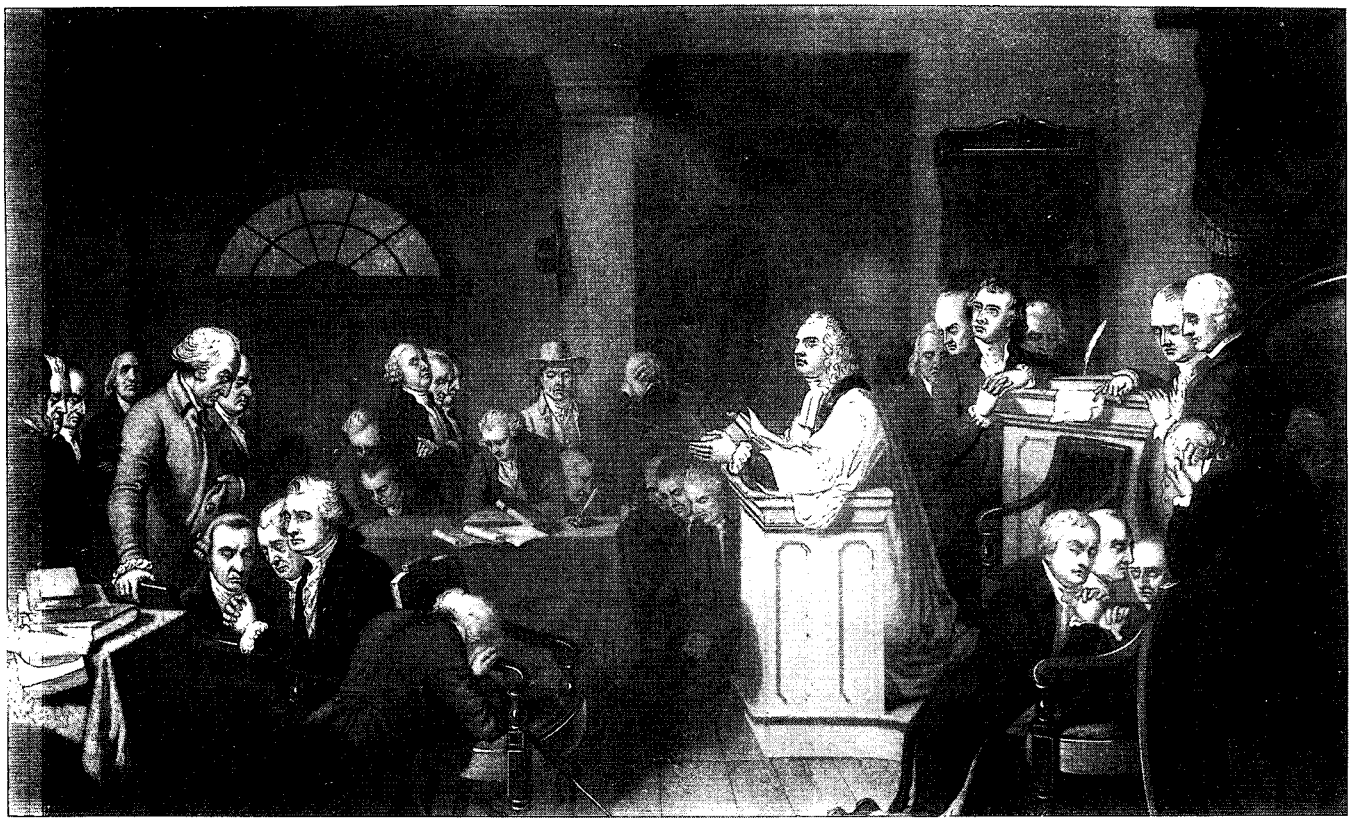

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"Political reform cannot reverse the tide of cultural drift. It is foolish, and futile, to rely primarily on politics to solve moral, cultural, and spiritual afflictions."—William Bennett

ica's clergy to confess that they have kept many a vineyard "but mine own vineyard have I not kept."

Mark A. Noll

McManis Professor of Christian Thought, Wheaton College.

William Bennett's "Revolt Against God" is a clearly argued, persuasive account of our nation's inter-connected private and public ills. Its appeal for the renewal of religion is especially compelling because of Mr. Bennett's Augustinian recognition that "it is a mistake to treat religion merely as useful means to worldly ends." It is a matter of vital importance for "America's Spiritual Despair" to be healed. It is even more vital that men and women find God, regardless of what happens to America.

Three brief questions: 1) Might the "enormous gains" that Mr. Bennett applauds ("material comforts, economic prosperity and the spread of democracy") be related in some way to our nation's "spiritual exhaustion"? That is, might a spiritual solution to the ills of late twentieth-century liberal democracy involve also a discriminating analysis of the egotistic evil that, with much prudential good, makes up liberal democracy? (2) Mr. Bennett's list of current evils is horrifying, but too narrow. I would add sins of the professional middle classes, like Medicare fraud, the immense Savings and Loan scandal, and the greed of arbitraging junk bond manipulators. (3) How can we simultaneously reduce hope in politics and at the same time mandate that our public schools take on the burden of teaching right and wrong? As a matter of Christian principle, I do not want to force public schools to teach my religion to my children. Schools run by parents, churches, or other private agencies may by the only answer to the educational crisis that Mr. Bennett describes so well.

Dennis Prager

Radio show host in Los Angeles, writes Ultimate Issues, *a quarterly journal on life and Judaism.*

William Bennett is entirely right. The American—and Western—crisis emanates overwhelmingly from the death of God and religion. I will list two of my reasons:

The Secular Belief that People Are Basically Good. Judaism and Christianity hold that the human needs something immense to overcome his flawed nature. For Judaism, it is a lifelong commitment to the commandments. For Christianity, it is the sacrifice of Jesus and the Christian's lifelong response to that sacrifice. Whatever their theology, religious people know that goodness does not come naturally. Secular thinking, on the other hand, holds that people are basically good. This is perhaps the greatest single obstacle to goodness because:

1. If people are basically good, goodness need not be taught. Hence, the end of values education, and the beginning of values clarification.

2. If people are basically good, evil must come from outside forces: socio-economic conditions, parents, poverty, Hostess Twinkies, Reagan-Bush, etc. Hence, we no longer hold people responsible for the cruelty they inflict.

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The Destruction of Codes of Behavior. With no god higher than man, there is no code of conduct higher than man. The result is a generation of Americans who believe that there is nothing higher than their feelings—morality has been reduced to "I feel that...."

To those who call my radio show claiming to see no connection between religion in America and moral behavior, I have long asked the following question: Imagine you are walking alone in a bad part of the city at midnight, and you notice ten men walking toward you. Would you or would you not be relieved to find out that they had just attended a Bible class? The question is always met with silence.

James V. Schall

Professor of government, Georgetown University.

William Bennett's "America's Revolt Against God" cites the many signs of moral and philosophical decadence. Most of these results flow from a theory and practice of a kind of freedom that has no natural or intrinsic limits.

Bennett's proposed cure, a return to religion, would be more impressive if we did not have to confront the unpleasant question of the content of religion in our society. It is no longer possible, I think, to assume that religion addressed to the spiritual life, which Mr. Bennett proposes as a remedy, is the kind of religion we actually have proposed in our communities.

Read, for example, John Paul II's *Veritatis Splendor* or *Le Catechisme de la Eglise Catholique* (the slowness in the English translation of which is itself a sign of spiritual decadence). On finishing these documents, let us ask ourselves whether the sort of religion he describes, which does directly address the decadence issues as we see them, is what is actually taught in the churches, Catholic or Protestant or Jewish? We would find, I think, that it is not, or at least it is not predominant.

Moreover, we have to wonder, with the same frankness that Mr. Bennett proposed, whether the diversity of religions leaves them all spiritually the same in this regard? Is just any religion enough? We do not like to hear this worry stated openly, but at some point we must begin to wonder about the practical effects of the diversity of religion. We must ask whether this diversity is itself not the cause of at least some of our problems? Or to put it another way, the truth of religion must itself be a factor in the analysis. Not all religions are the same. It is less than honest not to acknowledge this. The case of Islam is almost the only instance where the issue arises in public.

At a philosophical level, then, to say that we simply have a "right" to believe what we will is insufficient. What we hold and do are of critical importance. And this diversity of effects generally is related to the nature of religious positions. When religion says the same thing as secularism itself, it is no solution.

In social affairs, what passes as religion in church bureaucracies and pulpits is too often merely a pious rendition of the very principles that cause our problems in the first place. Religion has not itself proved immune from the ideologies of our era. Thus, to propose a return to religion, as Mr. Bennett does, without hinting at this deeper problem may, I think, compound the dangers and decadence.

Bret Schundler

Mayor of Jersey City, New Jersey.

William Bennett is right, the most significant cause of America's social regression is a crisis of the soul. Social health, as well as personal fulfillment, arise not only from the elimination of material deprivation, but also from the formation of a social ethic which 1) affirms life in spite of circumstances, and 2) encourages service to others. Unfortunately, many government policies work against the teaching of this wisdom. Our health, education, and welfare policies have ripped the life out of the social institutions—family, community, and church—which historically taught our children these values and reinforced our spirituality.

Today, government is increasingly moving from the "non-establishment" of religion to active hostility against it. In response, some conservatives want to re-establish the Protestant civil religion of our past. I believe a better route would be to devolve power away from Washington altogether and give it back to the people. Welfare reform, health care choice, and school choice are at the cutting-edge of this effort. By empowering families with the financial opportunity to seek services from their family, church, or local community organizations, we will breathe new life into these institutions, which have always sought to minister not only to the body but also to the soul.

This approach is consistent with our pluralistic traditions and increasing social heterogeneity. It celebrates the religious freedom which has always been our strength, instead of treating sincere faith as a prejudice to be eradicated. It will support us as we teach our children our own faith and values, instead of, as it the case today, taxing us to support government programs which only propagate the atheistic and amoral religion of today's politically correct elites. ☎

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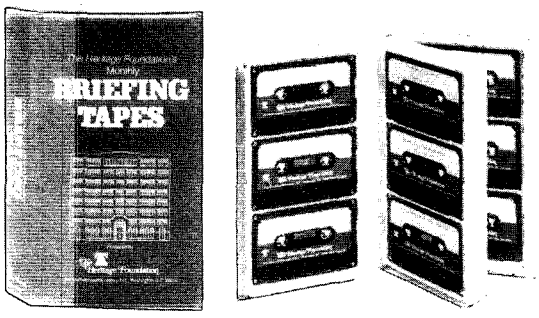

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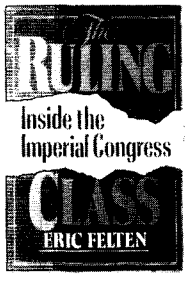

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Beware the Ides of April

High Taxes—And The Decline and Fall of Practically Everybody

Charles Adams

One of the first civilizations we know anything about began 6,000 years ago in Sumer, a fertile plain between the Tigris and Euphrates rivers in what is now Iraq. The dawn of history—and of tax history—is recorded on clay cones excavated in the town of Lagash in Sumer. The leadership of Lagash instituted heavy taxation during a terrible war. When the war ended, the tax men refused to give up their taxing powers. As a result, a proverb circulated, recorded on clay tablets, which reads: "You can have a Lord, you can have a King, but the man to fear is the tax collector."

Thus has it remained for millennia. Taxes have helped build mighty civilizations and paved the way to economic strength and security. At the same time, they have strangled economic growth, ignited bloody conflict, and ushered in national decline. How we as a nation tax and spend helps determine whether we are prosperous or poor, vigorous or languid, free or enslaved.

The Glory That Was Rome

Historians consider the 200 years from Augustus to Marcus Aurelius (30 B.C. to A.D. 180) as the high-water mark of Roman greatness. Edward Gibbon, author of *The Decline and Fall of the Roman Empire,* claimed this was the greatest period of peace and prosperity ever enjoyed by the human race. How did the *Pax Romana* come about?

Part of the answer can be traced to a moderate, uniform, and forgiving tax system. Unlike the contemporary American tax system, in Rome's better days taxpayer interests were of prime consideration. In about A.D. 35, for example, Emperor Tiberius was asked to increase provincial taxes. Tiberius replied that the governors should "have my sheep shorn, not skinned alive." The first century Roman press simply would not tolerate abusive revenue agents; it once castigated city officials for hiring "the most merciless of tax collectors, full of inhumanity." Meanwhile, steps were taken to ward off taxpayer rebellion: The penalty for excessive tax collection was fixed at 10 times the excessive tax. Tax moratoriums were frequently used if harvests were poor. In the second century, both Hadrian and Marcus Aurelius decided to cancel delinquent taxes—and ordered Praetorian guards to burn the tax records.

This sensitivity to excessive taxation was an important safety valve for maintaining taxpayer contentment and building and sustaining the empire. Tax revolts led by Mithridates the Great in the first century B.C. had taught the Romans that angry taxpayers were a greater threat to peace than the barbarians of the north. Never in history—and certainly not in recent American history—had a government made such a conscientious effort to make its tax system palatable to taxpayers. *Pax Romana* was to a large extent a tax-pax-Romana.

The Glory Fades

Sooner or later, it seems, Rome's glory had to fade. Decline began under Diocletian and his greatly enlarged military and civil bureaucracy in the end of the 3rd century. Like Augustus, he reorganized the empire and restored order to Rome—but unlike Augustus, he centralized and nationalized the state. Augustus achieved peace by dismantling the army, decentralizing the state, and reducing taxes. Diocletian moved in the opposite direction—centralizing the state, accelerating tax rates, and nationalizing everybody and everything. He tackled inflation with military commands, ordering prices to remain stable under penalty of death. To his surprise, prices kept rising. He began a tedious process of valuing farming operations, based on what a farm should produce, rather than what it did produce—forcing many farmers to abandon their land.

Numerous ancient documents confirm that Diocletian's system gave birth to a monstrous bureaucracy, with more tax collectors on the government payroll than actual taxpayers. From Lactantius, a Christian apologist of the 4th century, we read: "The number of those receiving pay was so much larger than the number of those paying taxes and that because of the enormous size of the assessments. The resources of the tenant farmers were exhausted, fields were abandoned, and cultivated areas transformed into a wilderness."

Diocletian's new tax system could not work unless all citizens, particularly farmers, stayed on their land. Farmers eventually were taxed on the number of workers on

Charles Adams *is a tax historian and author. This article is adapted from his book* For Good and Evil: The Impact of Taxes on the Course of Civilization *(Madison Books, 1993).*

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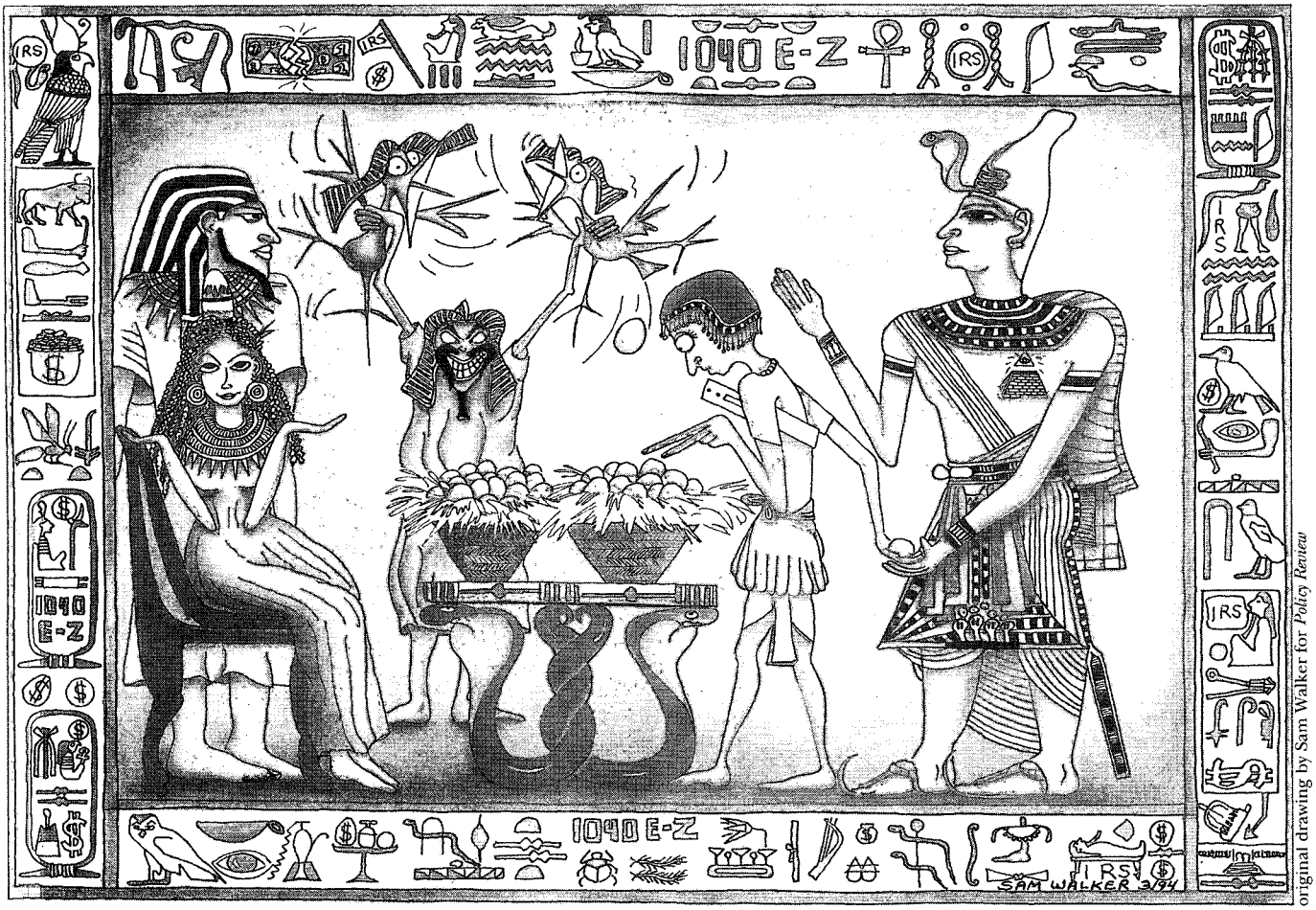

original drawing by Sam Walker for *Policy Review*

The tax officials of the pharaoh—everywhere snooping, inspecting, recording, and arresting—even surveyed the nests of pigeons to count the eggs, making sure the pharaoh got his 20-percent cut.

their land, and they began to flee their farms in droves. Then came the imperial crackdown: All farmers, their children, and their children's children were bound to the land forever. Thus, the fundamental right of all Roman citizens to move about the empire was destroyed. After 800 years, Roman citizens were finally to lose their liberties—not to an alien power, but to the very government that was supposed to protect them. As in contemporary America, civil liberties in Rome were adjusted to a tax system; the tax system was not adjusted to civil liberties.

Thus began Rome's gradual decline, instigated by capricious and burdensome taxation. Indeed, it is not too much to say that oppressive taxation eventually led to the fall of Rome to the barbarians. How so? In the early Republic, the small citizen farmer served—without pay—in the military as a patriotic duty. He was the best fighting man in the world. But in the last century of the empire uncontrolled tax evasion became rampant and the quality of the legions changed. The frontier garrisons were composed of overpaid misfits from Italy and self-seeking barbarians. Conscription was used as a tax dodge. The city of Rome fell because it could not defend itself against a third-class military force.

No nation better illustrates the hazards of reckless taxation than Imperial Spain. When Charles V assumed the Spanish and Hapsburg thrones in the early 16th century, he was emperor over most of Europe. At the same time, Spanish explorers brought much of the New World into the empire. For more than a century, Spain was more powerful than any other European state since the Romans. Her overseas empire was the largest the world has ever known.

The Reign in Spain

In the 17th century, however, this vast empire began to disintegrate. A nation with the greatest military and naval forces in the world, with vast riches arriving every month from the New World, with control over most of the world, collapsed for no apparent reason.

Again, taxes provide the clue. The most hated of all Spanish taxes was the *alcabala*, a 10 percent excise on the transfer of all real and personal property, which expanded to include food. Worse, the tax had to be paid many times over on the same goods as they changed hands, pricing Spanish goods out of the market at home and abroad. As the rates increased—and they did so dramatically under Charles V—the *alcabala* had a depressing effect on industry and trade.

A terrible imbalance of payments developed as foreign goods (usually smuggled) underpriced Spanish goods on local markets. As a consequence, Spanish men of commerce engineered what was probably the best system of fraud and evasion that history has ever known—perhaps 10 times what the government actually collected. Spanish

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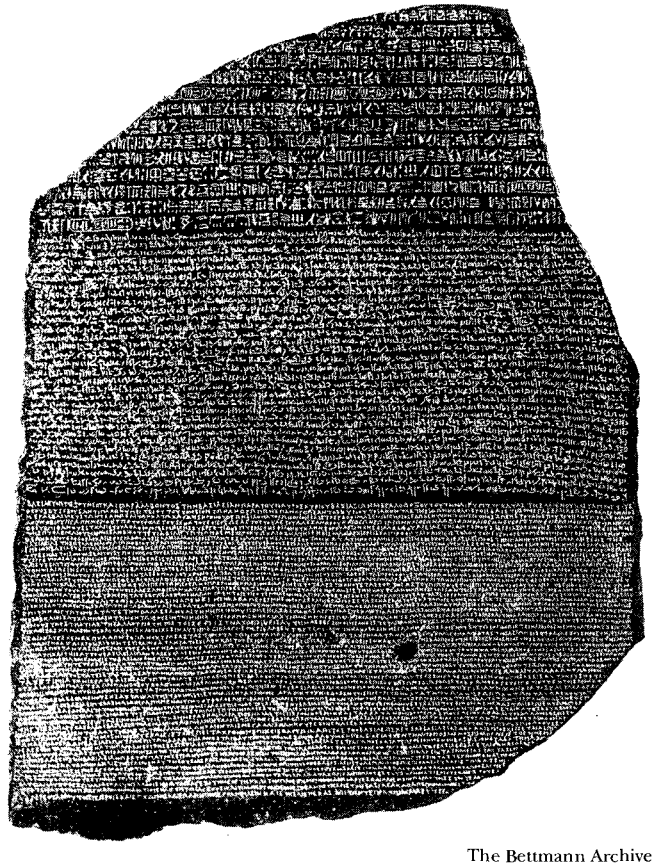
businessmen transformed Atlantic commerce into one massive smuggling operation to evade the Royal Fifth, a 20-percent customs tax on silver and goods from the colonies.

Castille, the political and economic heart of Spain, was especially hard hit by a myriad of imperial taxes, many approaching 20 percent. For decades, tens of thousands of peasants and workers literally fled the province for tax-exempt places and jobs. Indeed, rather than the plague or the expulsion of the Moors and Jews, tax flight was the primary cause of Castille's depopulation. One early 17th century Spanish writer observed that "the wonder is that any of them remain."

Despite the turmoil in Castille, a government study in 1619 concluded that the outlying Spanish provinces—including Catalonia, Naples, Sicily, and Portugal—must pay more taxes and share not only the military defense but also the revenue burdens of Spain's unwieldy empire. The provinces received this news with horror.

The Crown used the Spanish bayonet to enforce the new taxation, eventually triggering a war in Catalonia that many historians believe mortally wounded the empire. The 10-year civil war occurred at a time when Spain needed all her reserves for crucial military battles against the Dutch, French, and English. Instead, Spain's last reserves were spent at home fighting tax rebels. Taxation was at the heart of Spain's decline, but it was angry taxpayers—who resorted to flight, fraud, and violence—that brought about the collapse of this once-mighty power.



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The Rosetta Stone, one of the world's most important archaeological finds, tells a grim story of taxation.

The Feckless French

A French writer during the Hundred Years' War said that if the Devil himself had been given a free hand to ruin France, he could not have invented a scheme more likely to achieve that objective than the system of taxation then in operation.

Indeed, the revenue system that evolved out of the taxing powers granted to the French monarch was everything a good tax system should not be. First, there was the *taille,* an annual land and wealth tax that fluctuated with the king's military needs. The problem was that it was not applied to the kingdom as a whole—the nobility and the clergy, along with some cities and provinces, were exempt or had reduced rates. By the 18th century, the *taille* was called the "peasant's tax" because almost everyone else had found some way to avoid it. Thus, the *taille* became an annual exercise in sowing taxpayer discontent among France's largest social class.

Next there was a burdensome excise tax, the *gabelle,* levied on just about everything—including food. On wine, for example, there were five kinds of excises: a tax on the vine, harvest, manufacture, transportation, and sale of the wine. The poor drank cider. The top rate of the *gabelle* was as high as 60 percent of the value of certain goods. It grew to be hated, along with those who collected it, called *gabeleurs.* An eyewitness describes a peasant tax revolt in Blanzac in 1636 in which an angry mob "tore to pieces an unfortunate surgeon whom they suspected of being a *gabeleur.* After stripping him naked and cutting off one of his arms, they made him walk around the fair, and then finished him off."

In addition to individual taxes, the nation's tax infrastructure, called tax-farming, was a major factor in the system's unraveling. First appearing in the Middle Ages, private tax collectors eventually formed national corporations, in which they paid lords a fixed sum of cash to collect various levies, promising periodic payments over six years in the form of notes. The French Crown could use these notes to pay its debts; they were secured by future tax receipts, just like today's modern treasury bills and notes. Thus, the tax farmers were to the *ancien regime* what the Federal Reserve Board or the Bank of England are to their countries. Since our government operates on the same principle, what could go wrong?

In truth, just about anything. The risks in this elementary national banking system were tax revolts, wars, droughts, plagues—or anything else that might bring about a failure of the tax harvest. The most serious danger to the system was a lack of controls: At times, when the government was short of cash, it would issue cheques against future, undetermined tax receipts, without the knowledge of the tax farmers. This fiscal irresponsibility frequently drove the system to the edge of bankruptcy.

The combined effect of the French tax system was to drive the nation toward revolution. The tax objective of the state—"what the traffic would bear"—was the amount of tax that could be extracted one step short of causing a major revolt. Naturally, the government misjudged repeatedly. Ten years after a tax revolt near Bordeaux, the

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finance minister confessed to the queen that it was safer for a French soldier to walk through a Spanish village—France was at war with Spain—than for a French tax man to walk the streets of Bordeaux.

By 1789, however, no tax collector was safe in any province. Numerous tax revolts throughout the 17th century, which generally were not anti-regime, became intensely so by the late 18th century. Tax rebellions that had always been localized and tied to specific taxes suddenly culminated in a national upheaval.

This occurred, ironically, because Louis XVI called all classes of French society to Versailles, to reform the tax system. This brought the overtaxed commoners together for the first time. They took control of the state and soon thereafter the king's tax men were herded together, tried *en masse* for treason, and beheaded. They were condemned for fleecing the French people out of 300 million livres, about $1 billion in 1994 dollars. The final irony is that the king's tax men hadn't collected more than the law permitted. The problem was that the tax law was so rotten and so inequitable, angry taxpayers took their rage out on every tax man in sight.

Buying Time

It's a pity the French aristocracy was not better attuned to the lessons of history—particularly those from ancient Egypt. In the 3rd century, B.C., Egypt was near total collapse from the toll of excessive taxes and tax enforcement. The Egyptian kings taxed everything at least 20 percent, setting off land confiscations, flight to avoid taxes, massive arrests, and civil war.

Out of this chaos came the Rosetta Stone, the most important Egyptian archaeological discovery of all time, for it provided the key to understanding the lost languages of Egypt. But the story on the Rosetta Stone was of great significance as well, for it painted the picture of a dying Egypt, racked with civil disorder over taxation. Before the Rosetta Stone, the king's orders to control a rogue tax bureau went unheeded. Those orders were written on papyrus.

Finally, the king made one last effort to bring the tax bureau under control and end civil strife. He issued a broad decree, called a "Proclamation of Peace." It ordered all tax debts cancelled; all confiscated lands returned; all taxpayers freed from prison; and all tax fugitives invited to return to their lands and jobs. To make sure the tax bureau got the message, it was chiselled in stone, in three languages, one of which was the familiar Greek. Apparently, it worked, bringing peace for more than a century.

If the French could be forgiven for neglecting the hard lessons of the Egyptians, they can hardly be excused for ignoring the example of their contemporary rival to the north, Great Britain. In the 18th century, British parliamentary government, with its approach to taxation, remains a model for our day. Taxes were, primarily, the people's business—and they let their will be known peacefully through the House of Commons or not so peacefully to the Crown through rebellion.

Government spending was restricted by a tight purse, which resulted more from uncooperative taxpayers and downright evasion than the wishes of an enlightened Parliament and Crown. For example, throughout the 17th and most of the 18th centuries, Britain was the only major European country without extensive excise taxes. Britons simply rejected them, along with the hearth tax on fireplaces, (which would have allowed tax men to invade private homes), the poll taxes, and a burdensome land tax.

The British came to accept a system of many taxes that, as a whole, were reasonably fair. Everyone shouldered some of the burdens of the state. Landowners paid land taxes, but they were protected by a tradition of extremely low assessments. Homeowners paid a house and window tax that exempted the poor. Merchants paid customs and some excises, but lightened their burden through smuggling and evasion. The most remarkable aspect of the system was the absence of tax immunity for the rich—a lesson clearly lost on the French.

At the same time, English tax designers grasped a critical piece of economic common sense: If British workers were forced to pay high taxes, British capitalists would have to pay high wages. This would inflate the price of British goods on foreign markets and hurt trade. By keeping workers relatively free from taxation, English traders could outsell their competitors from the Continent. This is precisely what they did, and Britain became the leading commercial nation of the world for 200 years.

Prior to its souring relations with the American colonies, the British government learned the hard way that taxation by consent meant more than lobbying a tax bill through Parliament. Henry Fox, who succeeded Robert Walpole as prime minister, warned the House of Commons that "All governments must have a regard not only for what the people are *able* to bear, but what they are *willing* to pay, and the *manner* in which they are willing to pay, without being provoked to a rebellion."

The Founders' Tax Wisdom

Though many of the lessons of tax history may be lost on our contemporary political leadership, they were vividly implanted in the minds of America's Founders. One of the most important characteristics of 18th century thinkers is that they had few illusions about government. "Government," wrote Thomas Paine in his famous pamphlet *Common Sense*, "even at its best state is but a necessary evil, in its worst state an intolerable one." George Washington distributed Paine's pamphlets to his troops during the early years of the Revolutionary War. It is important to recall that one of Paine's themes was that taxation produced tyranny. The root of the problem, Paine said, was a naive trust in government: When this happens, "excessive revenues are obtained."

The Founders set up constitutional controls over both taxing and spending. The delegates to Philadelphia in 1787, struggling to approve the Constitution, knew the dangers in granting a federal government taxing powers. They all agreed—standards, limits, and controls were absolutely necessary. No one ever suggested Congress should have the power to tax at will. Without strict and clear constitutional standards for federal tax-making, ratification of the Constitution wouldn't have had a prayer.

Taxpayers also were protected by the Ninth and Tenth Amendments, which provide that the federal government

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can do only what it is expressly authorized to do in the Constitution. All other political powers are reserved to the states and to the people. Indeed, throughout Western history—going back throughout the Middle Ages, from Magna Carta to the modern era—we see a continuing drama of checks on taxation through fundamental charters, treaties, and constitutions.

Unfortunately, on the federal level, we live in a period devoid of protection. The recent history of constitutional law is a history of how to circumvent the limitations against unlimited federal power. As Washington has expanded the scope of its concerns, it has inflated the size of its budget—and the breadth and depth of its tax net. The growth of federal taxes—for the average household, a jump from less than 2 percent in 1948 to 24 percent in 1993—would have been inconceivable to the men who fearfully gave Congress the right to levy taxes.

A Strategy for Tax Reform

The present administration, however, conspicuously lacks any fearful regard for taxpayers. Laura D'Andrea Tyson, head of President Clinton's Council of Economic Advisers, last year told a congressional committee that America is "an undertaxed nation." This seems to be the operating assumption of our intrusive and unwieldy tax bureaucracy, the Internal Revenue Service. Coupled with a massive, complex and onerous tax system, the IRS annually threatens each of us with tax audits, fines and jail terms.

What follows are some ways we can curb the most vicious aspects of our federal income tax system and help tame the tax monster:

Restrain the power of the tax man: Adjudicate tax disputes like any other debt. It is time to put an end to special laws giving extraordinary rights and powers to tax men. The tax collector is usually a creditor claiming money. He should have the same rights—and obligations—as any other creditor, and taxpayers should have the same rights and duties as any other debtor. If the tax man claims you owe, then he should have to sue you just like everyone else. Similarly, if you have paid too much, you should be able to sue the tax man and have the same status as any other creditor.

Indeed, the entire legal apparatus of the tax process operates in a world of its own, separate from the ordinary rules of law for settling money disputes. This is what got the Egyptians into deep trouble. The pharaohs lost control of their tax collectors—we know it because they were flooded with petitions complaining about abusive behavior and harsh penalties. The tax officials of the pharaoh were everywhere snooping, inspecting, recording, arresting. They even surveyed the nests of pigeons to count the eggs and make sure the pharaoh got his 20 percent.

Although we have abolished torture and other ancient enforcement rites, there are many abusive tax enforcement laws that put due process to shame. In a tax dispute, for example, taxpayers who want to challenge their tax assessment in a federal district court must first pay the disputed tax and then sue to get their money back. The counterpart of this is that you can't enjoin the collection of an illegal tax. If you can't pay—if the tax might destroy your business or take away your home or livelihood—that is too bad. Bankruptcy offers no relief as it does for ordinary debts.

There are over 150 penalty provisions to trap and punish you for just about any error or slip up, no matter how excusable, that you may make in dealing with the vast jungle of tax rules and regulations. Penalties often exceed the taxes owed, adding a kind of audit-terrorism to the system. The General Accounting Office reports that the IRS can't manage this vast web of entrapments, and that 44 percent of all penalties assessed by the IRS are wrong. If this is true, how many are wrongly paid by taxpayers wanting to get the tax man off their backs?

On the criminal side of tax enforcement, a tax fraud should be a genuine, honest-to-goodness fraud, with the same ingredients as a common law fraud. In California in 1987, a physician was convicted of felony tax evasion for intentionally not paying the tax he accurately declared on his tax return. While the ruling was reversed on appeal, the concept is an outrage. If we applied this to ordinary civil debts, it would mean that if you deliberately didn't pay your American Express bill, you would have committed a felony. That's federal overkill.

Perhaps we need to balance our government's tilt toward tax collectors by adopting a medieval view of taxation, in which excessive tax collections were considered sins against God. IRS agents take note: William the Good of the Netherlands was called "the Good" because he executed errant tax men.

Be sensitive to taxpayer unrest: Decriminalize the tax law. The penalties Congress piles up every year to trap taxpayers, innocent or guilty, along with fuzzy criminal provisions, amount to barbarism. It reminds one of the queen in *Alice in Wonderland*, who proclaimed, "Off with his head!" for every offense.

Our tax law is so complex, so incomprehensible, that in most complicated financial arrangements the line between avoidance (which is legal) and evasion (which is illegal) is too difficult even for the experts to determine. Harry Margolis, a California tax lawyer, was indicted over a period of 10 years for 34 different criminal tax felonies. After lengthy and costly trials, not one charge was ever sustained against him.

Because of the breadth and complexity of our tax laws, it is a mistake to criminalize tax evasion; the lines separating the legal use of tax codes to shelter income (avoidance) and their illegal use (evasion) are simply too blurry. Political leaders have long recognized the difficulties involved: The 4th-century emperor Constantine, for example, decriminalized the Roman tax law. Rome even granted a series of tax amnesties—in A.D. 401, 411, 434, 445, 450, and 458—so that "the very memory of delinquent taxes may perish from the earth." In many nations only tax fraud (deliberately falsifying documents) is a crime; tax evasion (not reporting income) is not.

Our current practice puts America on a par with the former Soviet Union and its arbitrary use of synthetic, or arbitrary economic crimes as a weapon against dissidents. Thomas Paine told us in *Dissertation on the First Principles of Government*, "An avidity to punish is always dangerous to liberty." The French essayist Michel de Montaigne wrote in the 16th century that no man is so honest or upright that if he were carefully observed in his actions

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and thoughts, under the law, "ten times in his life he might not be lawfully hanged." That certainly would apply to almost everyone under our criminal tax laws.

Yes, if the vague tax crimes in the tax code were vigorously enforced, most taxpayers would be indictable after a cursory audit. Thus, tax fraud should be a crime; tax evasion should not. It would be wise to purge the tax law of its many synthetic crimes and let the civil penalties take care of real tax sins.

Ease the burden on taxpayers: Keep tax rates low and make the system simple. The concept of the income tax originated with the British to finance the war against Napoleon. It was primarily a uniform tax, collected at the source. It also was consistent with America's constitutional provision known as the "uniformity clause," in which tax rates would be the same for all. Since the beginning of the 20th century, this clause has become, in the words of tax scholars, an "empty shell," replaced by a maddening array of tax exemptions, loopholes, goodies and unequal rates.

If, as various economists have suggested, we had a flat tax rate of 10 percent for most people, there would be no April 15, no confrontation between citizen and state, no intimidation. Only payers of those in business would have to file a tax return. Ten percent is selected because this was the tax that served well the ancient worlds of Israel, Greece, and Rome and China.

We don't need to delve into the history of taxes to see that simplicity works. Today, Japanese scholars assert that one of the great virtues of Japan's income tax is that most Japanese don't file tax returns. As one of Japan's leading tax scholars, Hiromitsu Ishi, has noted, the simplicity of the system helps to produce enormous capital formation and savings. They rely heavily on an indirect system based on broad withholding. "A good tax system," says Mr. Ishi, "should be as simple as possible." This pattern of modest and simple income taxes is repeated in the Asian "miracle economies" of South Korea, Hong Kong, Taiwan, and Singapore.

Compare this with the complexity of the U.S. system: The American people spend 5.4 billion hours annually on federal tax work, according to James Payne's groundbreaking study. The tax system costs an estimated $618 billion, which includes compliance costs, litigation, and economic drag. The income tax law is beyond understanding partly because we have tried to accomplish what is beyond the possible—like raising all the revenue the government wants, stimulating economic growth, and policing the world. Alexander Hamilton warned in Federalist No. 35 against having a single form of taxation to satisfy all possible revenue needs, since it would spur tax evasion and work as a drag on the economy.

The Dutch tried to do precisely this with their excise tax in the 17th and 18th centuries. It was a disaster: Goods in Amsterdam cost twice as much as in London; taxes were many times higher; the tax burden on Dutch goods priced them out of world markets. The result was the shipwreck of a remarkably prosperous empire, the superpower of its era.

History reveals, however, that smart taxes can build empires. The British under Queen Elizabeth, who gave

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The tarring and feathering of a British HM customs officer by American tax rebels. This man was lucky—often in history, the tax man was lynched.

16th-century England the lowest rates in Europe, put that nation on the road to superpower status. How? By adjusting her government to whatever revenues Parliament provided. She even reduced tax valuations to extremely low levels—in effect reducing tax rates. About 150 years later, Britain adopted excise taxes, but limited the number of goods to be taxed and kept the rates modest. This kept the price of British goods low in world markets. The result was steady economic growth and one of the earliest illustrations of the fruits of supply-side economic theory.

An Index to Civilizations

Taxation is a good barometer of a social order. A society can best be evaluated by examining who is taxed, what is taxed, and how taxes are assessed, collected, and spent. The bondage of the once-free Roman citizen was the tax man's final victory over the extensive frauds and flight that had endangered the emperor's revenue.

Will we end up as citizen-serf-taxpayers like the later Romans? The current direction of our tax system's penal laws and spying devices makes this a possibility. We could find ourselves shackled to a kind of neo-serfdom to the modern fiscus. If that happens, the struggle between democracies and dictatorships will enter a new phase in which the choice will not be liberty or bondage, but which kind of bureaucratic bondage. We ignore history's verdict at our own peril: Tax laws have taken away liberty far more often than any foreign invaders.

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The Status Cuomo

New York's Decade of Liberal Greed

Thomas W. Carroll

Governor Mario Cuomo of New York has long been one of the political heroes of American liberalism. His "Family of America" keynote address at the 1984 Democratic convention electrified the party, as he preached the old-time Democratic religion of class rivalry and expansionist government programs. Governor Cuomo is an unapologetic liberal, in both social and economic terms: A pro-choice Catholic, a virulent opponent of the death penalty, and an advocate of state and federal paternalism.

After narrowly defeating conservative Republican Lewis Lehrman in the 1982 governor's race, Mr. Cuomo easily won two re-election victories, picking up the votes of Reagan Democrats, the urban and suburban ethnics who increasingly have been deserting the Democratic Party. Deeply knowledgeable about the details of policy and legislation in Albany, he also is a philosopher, a potential Supreme Court justice, a master of the media game, and a champion of political hardball. Had he chosen to run, he probably would have been the favorite candidate of most liberals in the 1988 and 1992 presidential races.

Singing a New Tune

But New Yorkers now seem to be tiring of the "Status Cuomo" and the liberalism the governor represents. His approval ratings in the state fell to just 34 percent last November, the lowest during his entire tenure as governor, according to the Marist Institute for Public Opinion. Liberals have faltered elsewhere in the region: Voters last November turned out two other prominent liberal Democrats, Mayor David Dinkins of New York City and Governor Jim Florio of New Jersey.

Mr. Cuomo, the quintessential politician, is now singing a more conservative tune as he tries to rescue his re-election hopes this fall for a fourth term. He has called for modest tax cuts after signing billion-dollar-plus tax hikes in each of the past five years, and has hopped on the "three-strikes-and-you're-out" bandwagon, pushing for life imprisonment for three-time violent offenders. He also has distanced himself from President Clinton's health-reform plan, saying it would hurt coverage for state employees.

Though Mr. Cuomo may tinker with his prose, he cannot rewrite the legacy of his ideology on the state. Liberalism in New York is bankrupt, intellectually as well as financially. After 12 years under Mario Cuomo, the state's credit rating—formerly an "A-" on Standard and Poor's scale—is today the lowest of any state in the nation. Over the past four years, the state has lost 516,000 jobs, while the rest of the nation has increased private-sector employment by 1.7 million. State and local taxes are among the most burdensome in the country; public services from bridges to schools are mediocre by national standards. The state's crime rate is 48 percent higher than America's overall. Costly social services have increased rather than decreased poverty, and 24 percent more people are on welfare today than when Governor Cuomo took office.

Empire Builders

New York once was known as the Empire State for its worldwide economic leadership and boundless entrepreneurial energy. Now the biggest empire in New York is government: A $62.6 billion state budget, over 240,000 state employees, dozens of state agencies, state and public-authority debt exceeding $67 billion, and the largest legislative staff and highest paid state legislators in the nation.

New York's problems with big government did not start with Mario Cuomo. Republican Nelson A. Rockefeller ushered in an era of lavish social service spending as well as elephantine public construction projects for public housing, office space, state universities, mental health facilities, parks, and hospitals. Before Mr. Rockefeller took office in 1959, the top income tax rate on personal income was 7 percent; by the time he left office in 1974, the top tax rate had more than doubled, to a peak of over 15 percent. Governor Rockefeller also resorted to unprecedented levels of government borrowing, setting up special borrowing agencies when voters turned down bond issues for low- and middle-income housing. This fiscal house of cards finally came crashing down in the mid-1970s, but only after the governor had left the state to become Gerald Ford's vice president.

Mr. Rockefeller was succeeded briefly by his lieutenant

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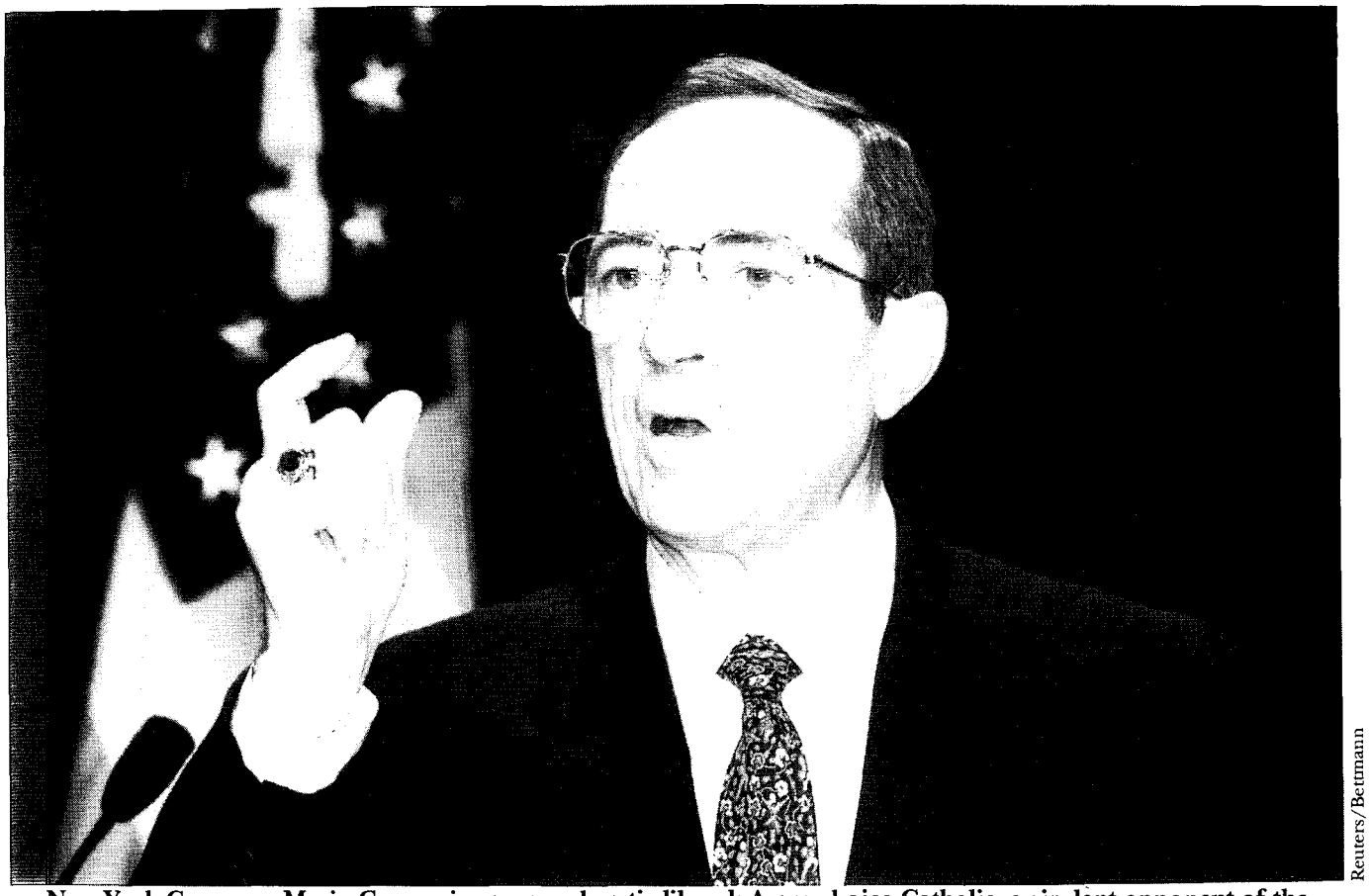

Reuters/Bettmann

New York Governor Mario Cuomo is an unapologetic liberal: A pro-choice Catholic, a virulent opponent of the death penalty, and an advocate of state and federal paternalism. Are New Yorkers tiring of his liberal message?

governor, Malcolm Wilson, and then by Democrat Hugh L. Carey, a former congressman from Brooklyn, who had to pay the price for Mr. Rockefeller's grandiose schemes. In his first state of the state address in January 1975, Governor Carey declared the end of "the times of plenty, the days of wine and roses," and went about restoring the fiscal stability of New York State and New York City.

Big government has long been a bipartisan pastime in New York politics, and Mr. Carey waged bruising battles with the state legislature, fighting the Republican-dominated Senate as well as the Democratic-dominated Assembly to keep spending under control. Astonishingly, he succeeded: During his eight years as in office, Governor Carey kept spending growth *below* the rate of inflation. To do so, he aggressively used his impoundment and line-item veto powers.

Between 1980 and 1982, Governor Carey item-vetoed $1.3 billion in legislative additions to his budget proposals. In 1982 alone, he item-vetoed $990 million in spending, sparking a full-scale war with the legislature. Eight years of fiscal responsibility apparently was too much for the state legislature to take, and in his last year of office Carey's item vetoes were overridden with broad support from both parties.

Thanks to his controls over spending, however, Mr. Carey was able to lower taxes. The top rate on personal income during his tenure dropped from over 15 percent to 14 percent for investment income and to 10 percent for paycheck income. As a result of the legislature's spending irresponsibility in Mr. Carey's last year as governor, the state faced a huge deficit when Mario Cuomo took office in 1983.

Enjoying the Reagan Boom

Mr. Cuomo launched his career in politics in 1972 when he resolved a low-income housing controversy in Forest Hills, Queens, at the request of liberal New York City Mayor John Lindsay. Governor Carey subsequently tapped him as his secretary of state. In 1978, Governor Carey selected Mr. Cuomo as his running mate, elevating him to the lieutenant governor position during Mr. Carey's second and last term.

Instead of viewing the Carey years as an example of how a governor could stabilize the state's finances by keeping legislative excesses in check, however, Mr. Cuomo quickly established cozy relations with the state legislature and avoided confrontation at any cost. In his first eight years in office, Governor Cuomo item vetoed only $81 million in appropriations, compared with Mr. Carey's $1.3 billion in item vetoes over just three years. Mr. Cuomo also sought to repay the public employee unions that aggressively supported him in the 1982 elections.

Mr. Cuomo quickly undid much of the Carey legacy. New York again was on the path to runaway spending and borrowing, creative financial gimmickry, and, ultimately, a drop in the state's credit rating and massive job losses. At the same time, most of the state's major social prob-

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lems—declining educational quality, rampant crime, teen pregnancy, and welfare dependency—remained unchanged or got worse.

Faced with a deficit, the new governor immediately pushed for higher taxes and higher spending. Total taxes and fees were hiked by over $1 billion in 1983, and state-funded spending rose by almost twice the rate of inflation.

The Reagan-era boom rescued Mr. Cuomo from paying the piper for this profligacy. The mid 1980s were go-go years for New York's real estate, the stock market, investment banking, entertainment, publishing, and defense-related industries. The state's finances took a turn for the better, and, by 1984, New York's revenues were growing by more than 10 percent annually.

Spending Liberally

Ironically, in the summer of 1984, while Mario Cuomo was in San Francisco attacking the Reagan revolution for creating economic hardship, he was reaping—and spending—the rewards of that revolution back home in New York. David Osborne, co-author of *Reinventing Government*, noted: "New York's overflowing coffers offered Cuomo the same luxury [Governor Michael] Dukakis enjoyed in Massachusetts: The ability to spend liberally while his aides told the world he was a fiscal conservative."

NEW YORK IS AMONG THE HIGHEST-RANKED STATES IN VIRTUALLY EVERY MAJOR SPENDING CATEGORY, INCLUDING WELFARE, MEDICAID, EDUCATION, AND PRISONS.

In truth, New York saw a staggering increase in spending. Since Carey's last year in office, state-funded spending has risen by 111 percent, compared with inflation of just 50 percent.

State spending in New York is 47 percent higher than the national per-capita average. Not surprisingly, New York is among the highest ranked states in virtually every major spending category, including welfare, Medicaid, education, and prisons.

Governor Cuomo did return some of the state's revenue growth to taxpayers—though he usually did so with reluctance, and in response to initiatives by other politicians. In 1985, under pressure from Senate Republicans led by Senate Majority Leader Warren Anderson, Mr. Cuomo signed a bill cutting the top tax rate on paycheck income from 10 percent to 9 percent and on investment income from 14 percent to 13 percent.

The federal tax reforms of 1986 provided another windfall for the state. When the federal government eliminated tax deductions, allowances, and exclusions, the state that used federal definitions as a starting point on state tax returns stood to receive billions of dollars more in revenue without changing its tax code at all. Consequently, applying the same state tax rates to a broader definition of income would have produced substantially more revenue.

In response to this windfall, the state legislature passed a tax-reduction act in 1987 that was supposed to drop the top rate on personal income from 9 percent to 7 percent for paycheck income and from 13 percent to 7 percent for investment income. The tax cuts were to be phased in over several years, to be fully effective in 1991.

Mr. Cuomo signed the tax cuts into law under protest. He said he had "no alternative," because state legislators "were so overwhelmingly for it that it was clear they would have gotten it anyway."

Love-Hate Tax Cut

Since then, the governor has had a love-hate relationship with this tax cut. In September 1988, he told the Business Council of New York State, "We must keep the tax cut we promised the people of this state. And, if you have to deal with this problem of revenues, then find a way to deal with it by restraint in spending, by fighting waste."

In 1990 Mr. Cuomo reversed himself and proposed canceling the last phase of the tax cut—a position he still holds. The state legislature granted him a deferral of the last phase each of the last four years. As a result, the top tax rate has been frozen at 7.9 percent, instead of dropping to 7 percent, and the standard deduction has been frozen at $9,500 (married, filing jointly), instead of rising to $13,000.

This year, Governor Cuomo proposed cutting select business taxes and fees by $74 million, an initiative that has received much public notice, but he still favors canceling the last phase of the personal income tax cut and imposing a slightly higher business tax surcharge than under current law. On a net basis, Mr. Cuomo's recent state budget proposal would increase taxes and fees by $1.5 billion.

Taking a longer view, while sharply if reluctantly cutting top marginal rates on personal income, the governor has proposed or approved increases in many other taxes. Taxes on liquor rose from 85.9 cents to $1.70 per liter; beer taxes rose from 4.5 cents to 21 cents per gallon; and cigarette taxes rose from 15 cents to 56 cents per pack. A 15 percent corporate tax surcharge also was imposed. New taxes imposed in the Cuomo years include a petroleum business tax, a real-property gains tax, a "mansion tax," and a hotel tax. Altogether, increases in taxes and fees have amounted to $8.1 billion over the past five years.

Among the more controversial Cuomo tax-hike proposals that never made it into law included a snack tax, which Fritos-munching legislators killed quickly. A proposed tax on hospital screening tests died as soon as it was dubbed a "baby tax," spurring press comments about "cradle to grave" taxation.

Off-Budget Borrowing

One of the most disturbing features of the Cuomo administration has been its off-budget borrowing to finance state spending. In attempting to borrow money, Mr. Cuomo has faced the same obstacle that confronted

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Nelson Rockefeller: The public isn't interested.

Since Mr. Cuomo was elected, five bond issuances have been placed on the ballot. Bond issues for transportation (1983, 1988) and the environment (1986) passed, but, more recently, bond issues for state land acquisition (1990) and infrastructure (1992) went down to defeat.

Governor Cuomo, like Mr. Rockefeller, has turned increasingly to off-budget public authorities to conduct whatever borrowing he desires—regardless of public opinion. For example, when the public defeated a prison bond issue in 1981, Mr. Cuomo with the legislature's approval used the New York State Urban Development Corporation to issue bonds to finance prison construction beginning in 1983.

As was done before New York's fiscal crisis of the mid-1970s, the state under Mr. Cuomo has been issuing long-term bonds to finance short-term operating expenses. In 1990, the governor and legislature "sold" Attica state prison to the Urban Development Corporation (UDC)—not exactly what Governor Rockefeller had in mind when he set up UDC to build low-income housing—and Interstate 287 to the State Thruway Authority. In both cases, the public authorities issued bonds to pay for assets that the state already owned, all as part of a scheme to funnel cash to the state's general fund for operating expenses. At the time, Alair Townsend, former New York City budget director, noted: "Albany has raised fiscal chicanery to an art form, forgetting how moral-obligation bonds and a heavy debt load helped precipitate the fiscal crisis of the 1970s."

More Fiscal Gimmicks

Despite the criticism, this practice continued with the sale of the Eastern Correctional Facility to UDC and Interstate 84 to the Thruway Authority. This year, the governor has proposed using a public authority called the Local Government Assistance Corporation (LGAC) to bond-out the cost of state income-tax refunds.

As a result of schemes like these, public-authority debt soared from $24.9 billion in 1982 to $62.8 billion in 1993, a 152-percent increase. In contrast, general obligation debt—which requires voter approval—grew more modestly, from $3.5 billion in 1982 to $5.1 billion in 1993, a 46-percent increase.

Mr. Cuomo, again with the legislature's complicity, also raided a series of dedicated funds to cover operating expenses. The targeted funds included: the State Common Retirement Fund ($4 billion); the State Insurance Fund ($1.3 billion); the Dedicated Highway Fund ($693 million); and the Medical Malpractice Insurance Association ($211 million).

In total, Mr. Cuomo and the state legislature approved $10.5 billion in one-shot fiscal gimmicks over his first 11 years. In fiscal year 1993-94 alone, these gimmicks totaled $1.8 billion. And, for this year, Mr. Cuomo has proposed nearly $1 billion more.

The state's questionable financial practices have come under increasing criticism, and legal challenges are pending. The governor and state legislature have discussed placing loose limits on back-door borrowing, but no plan currently under serious consideration would close the door entirely.

UPI/Bettmann

In 1990 the New York government "sold" Attica state prison to the state by issuing bonds to pay for assets the state already owned. The scheme generated cash for New York state's general operating fund.

The day of reckoning may be coming soon, however. The New York State Court of Appeals, the state's highest court, seems more willing to strike down such financial recklessness. In 1993, the court ruled that taxpayers had standing to challenge such actions. And, in a separate decision later that year, the court ruled unconstitutional a raid on the state pension fund that, to date, has cost the pension fund over $4 billion.

No "Nos"

The state's credit rating also has taken a beating. Before Nelson Rockefeller's plans got underway, New York State had the highest credit rating possible, according to *Moody's Investor Service*. The fiscal crisis in the mid-1970s caused the state's credit rating to drop to the low level it is today. In 1986, the rating was upgraded one level, but fell back to the fiscal-crisis level in 1992—leaving New York with the lowest credit rating in the nation.

The most charitable way to look at the conduct of state government over the past 11 years is to view it as part of a Keynesian "spend-and-borrow our way to prosperity" scheme. Although misguided—and startlingly ineffective—the intent would at least be admirable.

New York's experience has been a splendid display of special-interest politics run amok. The state legislature has a record of irresponsibility going back to the days of the robber barons, but the counterweight to their excesses has typically been—at least since the late 1920s, when New York's constitution was rewritten to create a strong executive—a governor who was willing to say,

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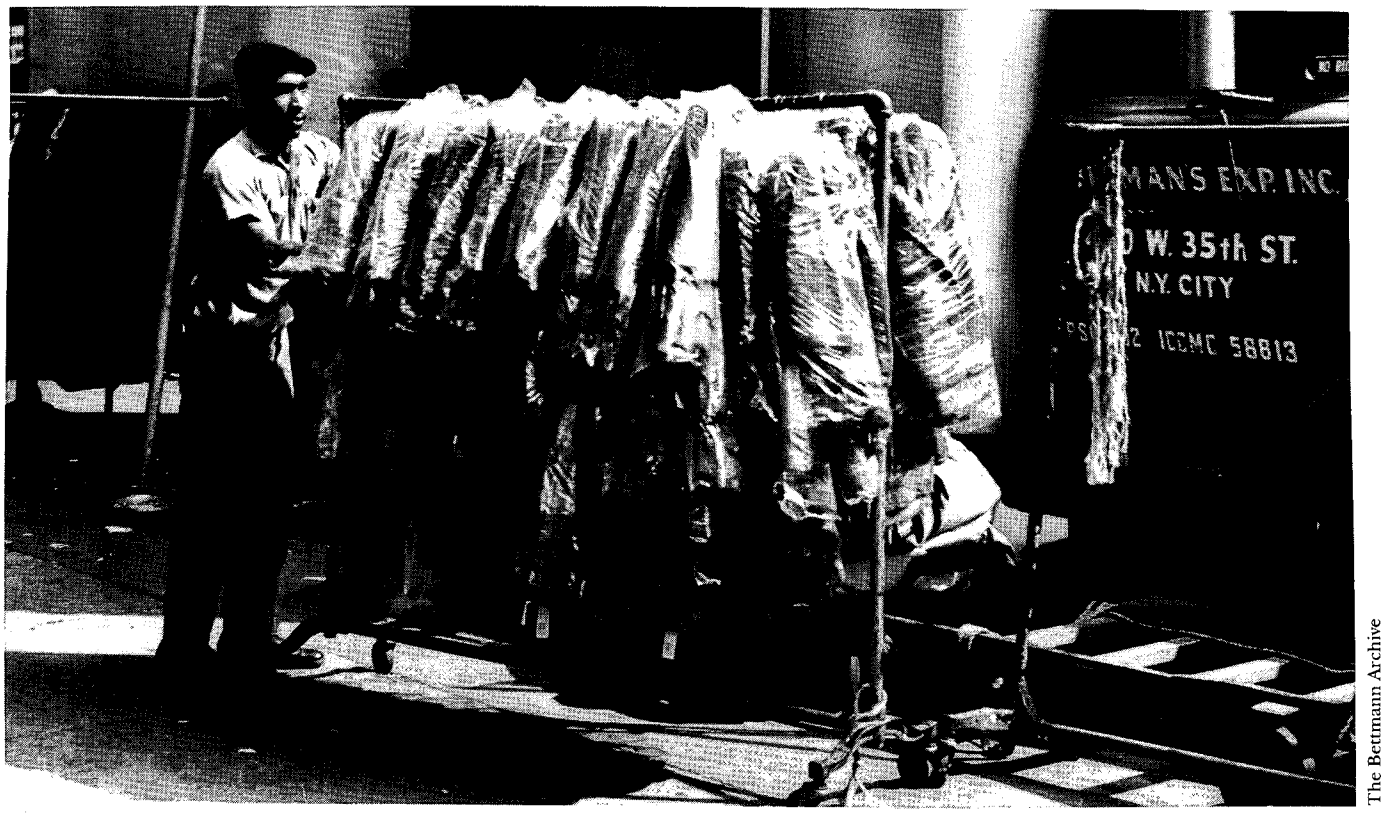

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The garment district in Manhattan. Job growth has been hard hit by Mr. Cuomo's tax-and-spend policies. The state has suffered major job losses in the apparel industry because of New York's high cost of doing business.

"No!" Since Hugh Carey left office, New York has not had such a governor.

Moving to Jersey

The biggest casualty of Mr. Cuomo's tax-and-spend approach has been private-sector job growth. Mr. Cuomo, who opposed NAFTA, is fond of saying: "New York state didn't lose these jobs, America did." Before his defeat, Mayor Dinkins similarly remarked: "People say, 'What about all these jobs you lost?' Well, we didn't lose them!" Mr. Cuomo's and Mr. Dinkins's point apparently is that New York, along with the rest of the nation, was suffering from the ravages of a prolonged recession and intense foreign competition. This rhetoric does not comport with the facts.

In just the past four years, New York has lost 516,000 private-sector jobs while the rest of the nation has increased private-sector employment by 1.7 million jobs. Over Mr. Cuomo's 11 years in office, New York did gain 323,000 jobs. But this is 1.2 million fewer than the pace of job creation of the other 49 states.

Manufacturing has been particularly hard hit, with major losses occurring in apparel, industrial machinery and equipment, and primary metals. New York's high cost of doing business has contributed substantially to this decline. By 1993, the number of manufacturing jobs in New York fell to fewer than 1 million for the first time in 50 years.

A recent study by Steven D. Gold, of the Rockefeller Institute for Government's Center for the Study of the States, found that only six states other than New York also suffered declining employment during the recent recession, with no subsequent sustained upward trend. In fact, according to the study, 22 states did not experience declining employment at all during this period.

Although Fortune 500 companies are not the major growth sector of the state's economy, the number of major corporations that have moved their headquarters from New York is emblematic of New York's diminishing allure to business. In 1993, only 53 Fortune 500 companies were headquartered in New York, compared with 88 in 1982.

We need look no further than New York's record tax burdens to understand why. New York's top personal income tax, at 7.875 percent, is the highest in the region, and the state corporate tax rate of 10.35 percent (including a surtax) is the fifth highest in the nation. Altogether, New York State has the highest state and local tax burden in the nation, only exceeded by anomalous Alaska. Further proof of this is seen in the number of businesses that have laid off workers in New York while expanding operations elsewhere, including General Motors and Eastman Kodak, two of New York's largest employers. KeyCorp, as part of its merger with Society Corporation, will be moving 400 jobs from New York's state capital to Ohio.

Many Wall Street firms have moved their back-office operations to New Jersey; even the *New York Times* has moved its printing plant to Edison. If New Jersey Governor Christine Todd Whitman carries through on her pledge to cut taxes by 30 percent, this exodus will most certainly continue. Victor J. Riley, Jr., KeyCorp's chief executive officer, cited high corporate taxes and the state's business atmosphere as reasons for relocating jobs from New York to Ohio. As international competition

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brings greater pressure, state business climates become more—not less—important. This is a lesson that Mr. Cuomo appears not to have learned.

Sagging SATs

Despite record spending, the educational performance of New York's students has declined relative to the nation. Although this performance gap did not originate with Governor Cuomo, he has done nothing to reverse these trends.

New York historically has outperformed the nation in education. But beginning in the early 1980s, educational performance declined, and since then the gap between New York students and the nation as a whole has widened. In school year 1972-73, the combined average SAT scores for New York students exceeded those of the nation by 25 points. By the following year, that gap began to shrink, until it disappeared by the end of the 1970s. By school year 1982-83, New York students lagged behind their counterparts nationally by 5 points. By school year 1992-93, New York students scored about 15 points lower than the national average. New York also has one of the lowest graduation rates (45th) and the highest adult illiteracy rate (tied with Mississippi and Alabama) in the nation.

Regardless of the rhetoric of education officials, New York's declining academic performance cannot be blamed on a lack of government spending. Record amounts of money have been spent on New York schools over the last decade. New York now spends an astounding $9,665 per pupil (the 3rd highest in the nation), compared to the national average of $6,392 per pupil. During Mr. Cuomo's tenure, public school expenditures have nearly doubled, from $11.5 billion to $22.7 billion.

The last time a governor attempted to reverse the "throw more money at the problem" approach was Governor Carey in 1982. Two factors appear to make Cuomo reluctant for a showdown: Mr. Carey's defeat when his item vetoes of school aid in 1982 were overridden, and the substantial political support Mr. Cuomo has received from the teachers unions.

Window Dressing Crime

In recent months, crime in New York—from the Long Island Rail Road massacre, to the killing of a 15-year-old New York City boy by a classmate over a pair of sunglasses, to a drive-by shooting of Hasidic youths on the Brooklyn Bridge—has helped jump start a national debate over crime's causes and cures. Facing what may well be his toughest re-election battle yet, Mr. Cuomo has attempted to recast himself as tough on crime. In his recent state of the state message, the governor proposed a "three-times-and-you're-in" law and restrictions on parole.

This is window dressing. Mr. Cuomo has presided over an explosion of crime throughout the state. Since 1982, violent crime has increased by 16.3 percent. High crime areas can easily be found outside of New York City, and include Buffalo, Rochester, Syracuse, Albany, and Poughkeepsie. New Yorkers are now 48 percent more likely to be victims of violent crime than Americans in general. In New York state today a person is murdered every 3.7 hours; raped every 1.7 hours; assaulted every 6 minutes; robbed or burglarized every 33 seconds. Of course, the figures are even higher for New York City.

One reason for high levels of crime is New York's low "punishment rate," that is, the number of criminals in prison as a percentage of violent offenses. In 1992, this figure was only 4.9 percent. Despite the construction of more prisons, the punishment rate is lower today than it was when Governor Cuomo took office in 1983.

The governor leads by example. He remains opposed to the death penalty and favors softening mandatory sentencing laws for "nonviolent" drug dealers. Mr. Cuomo successfully led an effort to get Brooklyn-born Thomas Grasso—who murdered an 87-year-old woman in Tulsa, Oklahoma and an 81-year-old man in Staten Island, New York—transferred from Oklahoma to New York to protect the killer from Oklahoma's death penalty. After he serves 20 years in New York's prison system, Mr. Grasso will be sent back to Oklahoma for execution. Mr. Grasso has admitted to both murders, so there is no issue of wrongful execution, and even his mother favors his execution.

Moreover, the governor already has signaled that he won't expend much political capital on the proposed three-time-loser law or on tougher parole regulations. Instead, he continues to focus most of his energy on misdirected reforms: Regulation of so-called assault weapons, and increased penalties for bias-related crimes. While these issues are the stuff of great *New York Times* editorials, they don't address the core reason that crime has not subsided—crime pays in New York. The chance of getting caught and paying a serious penalty is extremely low.

A PROPOSED TAX ON HOSPITAL SCREENING TESTS DIED AS SOON AS IT WAS DUBBED A "BABY TAX," SPURRING PRESS COMMENTS ABOUT "CRADLE TO GRAVE" TAXATION

Even if one assumes that criminals would observe the governor's proposed ban on assault weapons, it would have minimal impact. According to figures from the New York State Division of Criminal Justice Services, less than 100 of the 2,394 murders in New York State in 1992 involved any type of rifle, let alone an assault weapon. The governor's focus on this bill also ignores the fact that although New York has among the toughest gun-control laws in the nation. These laws have had little impact.

The importance of the bias-related crime bill also has been overblown when one considers that in the vast majority of murders, the offender and the victim are of the same race. In 1992, according to national figures, 85.9 percent of murders were white-on-white or black-on-black. The true number of same-race murders is even higher because available statistics don't separate out

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Photofest

New York was once known as the Empire State for its worldwide economic leadership and entrepreneurial energy. Today, the biggest empire in New York is the state government.

other racial groupings, and in some cases the race of the murderer is unknown.

Spectacular Non-Event

New York's high welfare rolls are another symbol of the state's decline. Despite spending over $300 billion on public-welfare programs since 1960, poverty in New York has gone up, not down. Under the Cuomo administration, the welfare rolls have increased by 24.5 percent. About 1.6 million New Yorkers—in New York City, one of every seven—are on the state's welfare rolls, compared to fewer than 400,000 in 1960. This quadrupling of welfare recipients occurred while New York's overall population has grown only 7 percent in the same period.

The Cuomo effort to reform welfare has been a spectacular non-event. A "workfare" law that has been on the books since 1971 is largely unenforced. During Mr. Carey's last year in office, 34 percent of Home Relief recipients were enrolled in workfare programs; under Mr. Cuomo, that number has dropped to less than 10 percent. New York's Child Assistance Program, the state's only serious effort at welfare reform, so far has produced a modest *increase* in net program costs for state and local governments, according to a recent outside study commissioned by the state.

Meanwhile, the governor has resisted reforms adopted successfully by other states. These include: in Wisconsin, a time limit on welfare benefits and Learnfare which would grant full welfare benefits only to families that ensure that their school-age children actually attend classes; in Michigan, an end to general-assistance subsidies for the able-bodied; and in New Jersey, caps on the welfare "baby bonus." Although in an election year, Mr. Cuomo now appears willing to consider a softened version of Learnfare, he still opposes time limits on benefits, cutting off Home Relief for the able bodied, and eliminating the "baby bonus."

Mr. Cuomo, in his own defense, has cited a laundry list of "accomplishments," including a mandatory seat-belt law, a hike in the drinking age to 21, increases in school aid, the building of thousands of prison cells, the appointment of the first woman chief justice to New York's highest court, and the lowering of the state's short-term borrowing (ironically by bonding-out this debt with long-term bonds). But, placed in the context of the broader deterioration of the state, these steps have not measured up to the fiscal, economic, and social challenges New York faces. After Hugh Carey stabilized New York State's finances in the wake of Nelson Rockefeller's excesses, Mario Cuomo could have been the governor who restored New York's reputation as the Empire State. Instead, Mr. Cuomo is hastening its decline.

Voting with Their Feet

We know, because people are voting with their feet. New York has suffered the largest net outmigration of any state in the nation. Since Cuomo was sworn in as governor, over 1 million people have left the state on a net basis. The consequences of the governor's tax-and-spend liberalism (which has been embraced by both major parties in New York's state legislature) should stand as a warning sign for states across the nation.

New York is not without the capacity to rebound, however. Its natural assets include geographic advantages, a skilled workforce, an extensive network of roads and bridges, world-class colleges and universities, and a still leading position in the worlds of finance, fashion and culture. Another source of hope is that New York's political leaders might learn from other state governors who have shown there are intelligent and innovative ways to meet today's problems.

The bottom line, however, is that turning New York State around is going to take a different brand of leadership than New York has had for a long time. One thing is for sure: Continuing tax-and-spend politics won't restore New York's glory as the Empire State. ☎

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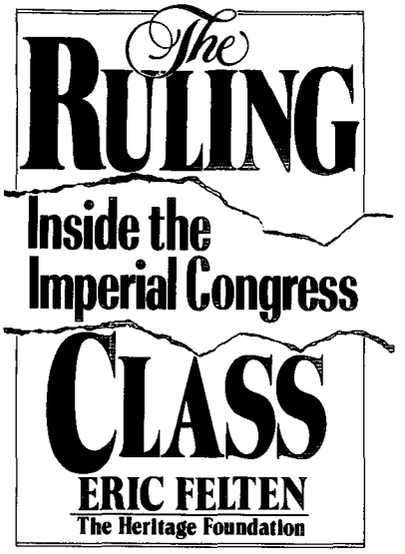

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Ante Freeze

Stop the State Bidding Wars for Big Business

John Hood

At the University of Alabama's Legion Field, there's a long, rich tradition of victory. At that stadium, legendary football coach Bear Bryant and his Crimson Tide posted one of the most successful records in sports history. Now the stadium is the site for yet another Alabama trophy: A huge, $75,000 Mercedes-Benz hood ornament perched atop the scoreboard. While intended to celebrate the German car company's recent decision to locate a $300 million manufacturing plant near Tuscaloosa, it has instead become a symbol of how much, in money and self-respect, the state had to give up to win the high-stakes bidding war for the plant.

Not only did Alabama pony up a package of special tax breaks and other goodies for Mercedes valued at roughly $350 million, but it also agreed to buy more than 2,500 of the company's cars for state use. As the details of the deal have leaked out since its announcement last September, citizens have expressed second thoughts about it. "There are a lot of people in Alabama who think we gave the farm away," says state legislator Johnny Cagle. Among state residents, says Auburn University professor Wayne Flynt, reaction to the Mercedes deal has "gone from euphoria to fright."

Clinching the Deal

Alabama's purported Mercedes coup is only one of the latest skirmishes in the bidding wars raging among states to recruit high-profile corporations, particularly manufacturers, using taxpayer-backed bonds, tax abatements, special training and infrastructure subsidies, and other sweeteners to clinch the deal. The dollar-amounts continue to rise—the Mercedes deal is thought to be the largest one ever—and so does the controversy. While many economists, taxpayers, and public-interest groups have cried foul, elected officials, economic development strategists, and big-business leaders essentially have shrugged their shoulders. It's just the way things are done these days, they say.

I'm surprised not so much by the intensification of the bidding wars—which, given the potential for governors and other officials to gain political points from high-profit recruitments, seemed inevitable—but instead by the complacency of those in the business world and elsewhere who see no conflict between their free-market principles and special tax breaks for big businesses. For example, Theodore Von Cannon, who heads Birmingham's Metropolitan Development Board and helped lure Mercedes to Alabama, recently remarked, "as long as we have a free-enterprise system, there is not much you can do" to avoid giving away incentives packages.

Corporate Welfare

Dealmaking continues in spite of the controversy. The state of Virginia recently established a "partnership" with the Disney Corporation to erect a new theme park south of Washington, D.C., near the site of historic Bull Run. Virginia's new governor, Republican George Allen, was determined to bag the theme park for his state, and convinced the legislature to provide part of the infrastructure and other concessions Disney demanded—a package worth over $160 million.

Conservative commentators have praised such bidding wars. Rush Limbaugh has spoken favorably about the recent cut-throat competition between New York, Connecticut, and New Jersey to attract or keep firms such as First Chicago Corporation, Prudential Securities, and the New York Mercantile Exchange by using special tax breaks. And George Will wrote in *Newsweek* last September that efforts to restrain the bidding wars (proposed by Illinois Governor Jim Edgar) would be "too bad."

Ironically, the kind of big-ticket incentives packages companies are getting today offer no check on the growth of government; indeed, they are an important reason why the state and local tax burdens on the average small business owner or taxpayer are getting heavier. Nor is the sort of "corporate welfare" provided by activist state governors a recipe for real economic growth. Yes, a few big employers may move to a state offering lavish incentive packages, thereby providing photo opportunities and ribbon-cutting ceremonies for image-conscious politicians. But the majority of the creators of job and productivity gains throughout a state's economy are hurt as their taxes go up to pay for infrastructure improvements, job-training subsidies, and other enticements. And when these deals go sour, as they frequently do, and companies

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AP/WideWorld

The first Volkswagen rolls off the line in New Stanton, Pennsylvania. Only half the number of jobs VW promised the state were ever realized, and Pennsylvanians are still waiting for the company to pay back state loans.

pull out their investments after years of benefitting from special tax breaks, the state's taxpayers are left picking up the tab for unneeded highways, access roads, and physical plants. Conservatives shouldn't be promoting tax breaks for companies regardless of how selective they are. Remember: All tax relief is not created equal.

Using specialized tax incentives to attract businesses to a state is not a new idea. The strategy originated in the 1930s, when Southern states, such as Georgia and the Carolinas, gave textile companies in the Northeast tax breaks and subsidies to get them to relocate. These manufacturers did move south, although there is plenty of evidence to suggest that the region's relatively low costs of living and doing business, its generally friendly attitude toward business, and its inhospitality to labor unions contributed much more to the manufacturers' decisions to relocate than did the tax incentives. Nevertheless, business CEOs took what was offered and certainly gave state leaders the impression that incentives mattered—a frequent pattern in the last 60 years.

Out on a Limb

Although during the 1960s states across the country began to gear up their economic development offices and offer substantial benefits to big businesses, many business analysts date the opening salvo of the modern bidding wars to 1976. In that year, New Stanton, Pennsylvania beat out sites in 47 other states and Puerto Rico to land a Volkswagen factory—the first of what was to become a succession of foreign auto-assembly plants. Douglas Woodward, a business researcher at the University of South Carolina who has written extensively about incentives packages and business investment, says the contest finally narrowed to two players: Pennsylvania and Ohio, and both sent their governors to Germany for last-minute appeals to Volkswagen. In the end, Pennsylvania's $86 million package of low-interest loans, rail and highway improvements, job training subsidies, and tax abatements won the project. Volkswagen spent $236 million to acquire an abandoned Chrysler plant at New Stanton, so the total state and local incentives package made up about one-third of the purchase price. "There was no way Ohio could go out on a limb like that," said one Ohio economic development official at the time.

Unfortunately for the citizens of New Stanton and the state of Pennsylvania, the limb onto which their government had led them soon began to sag. During the 1980s, facing the same onslaught of Japanese imports as American automakers, Volkswagen's sales in the U.S. slumped, and the company was unable to make a profit at the plant. By 1987, it was producing only 60,000 cars a year at a plant designed for 200,000. Only half the number of jobs promised from the investment ever materialized. The production line finally stopped in July 1988. Even then, though, according to the terms of the agreement, Volkswagen did not have to begin paying back its state-backed loans for

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UPI/ Bettmann

Lawmakers in Virginia have promised the Disney Corporation over $160 million in concessions to locate a theme park in the state.

another 10 years. The company went on to locate new production facilities overseas, while Pennsylvanians were left with little compensation for the generosity of their elected officials.

Throughout the 1980s the Volkswagen deal was emulated by other states seeking to attract foreign auto manufacturers, such as Kentucky's $325 million package to lure Toyota in 1988, Illinois' $388 million deal over several years to entice Diamond-Star Motors (a joint venture by Chrysler and Mitsubishi), and South Carolina's $130 million package for BMW in 1992. But foreign auto companies were just one set of lucky firms who happened to knock on states' doors at opportune times. In 1992, Minnesota provided some $270 million in loans to keep Northwest Airlines from exiting the state. Over one eight-month period in 1991, New York City handed out nearly $360 million in tax breaks, cut-rate energy, and rent and construction subsidies to four companies and five commodity exchanges to keep them from relocating to New Jersey or Connecticut.

Sweet Deals

Here's a partial list of the kinds of incentives and policies state and local governments are currently using to compete in the bidding wars for high-profile relocations:

Tax Abatements: These are the most straightforward incentives offered to particular businesses. States and localities agree not to levy property or corporate-income taxes on firms for a specified period of time. In Alabama's case, it exempted Mercedes from paying state income taxes for 25 years.

Tax Credits: There are as many designs for credits as there are states. Several states have followed the lead of Kentucky Lieutenant Governor Paul E. Patton's 1992 legislation establishing income tax credits to businesses that reimburse as much as 100 percent of their construction and start-up costs over a 10-year period. Other governments have enacted programs to offset the cost of equipment and machinery or to reward companies with credits for each job created.

Land: Many states tap special funds or exhort major employers already in-state to help pay for the preparation of a site for a potential relocation. South Carolina's 1992 deal with BMW included buying 900 acres of land to be leased to the company for $1 per year. In an attempt to lure aerospace giant McDonnell Douglas to a rural manufacturing site, the state of Utah put up $500 million in tax incentives and land. The state gave a new meaning to the term "site preparation" by redrawing the boundaries of a Democratic congressman's district so the proposed site wouldn't fall within it because he had often clashed with McDonnell Douglas about its military aircraft. Investments in urban areas also receive state aid; former New Jersey Governor Jim Florio lured First Chicago Corporation and its 1,500 jobs from Manhattan to Jersey City partly by investing $6 million of state funds in a vacant office tower on the waterfront where the company will locate.

Infrastructure: States often build highways, access roads, water and sewer lines, and other infrastructure in anticipation of a company relocation. For example, Tennessee provided highway upgrades to improve access to proposed Saturn and Nissan auto plants. Traditionally, states and localities provide roads or water and sewer lines to new residents or businesses. But many today are going beyond basic necessities to provide relatively plush facilities.

Development Bonds: Many states issue industrial development bonds or allow local governments to do so to help finance particular projects for businesses. These bonds exempt bondholders from paying federal income tax on interest.

State Promotion: While governors and other public officials can be expected to serve as home-town boosters for industries within their states, sometimes boosterism has become a direct marketing and promotional subsidy to a favored business, even at the expense of competing firms in the same state. In an effort to save a struggling American Airlines hub at North Carolina's Raleigh-Durham International Airport (RDU), Governor Jim Hunt started a campaign last year to encourage public and private sector workers in the area to fly American whenever possible—angering American rival USAir, which

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maintains a large presence in the state both at RDU Airport and at its successful Charlotte hub. Another example of state promotion of particular commercial interests would be Alabama's agreement to replace many state-owned vehicles with Mercedes autos and to rename a section of Interstate 20/59 in the state as the "Mercedes-Benz Autobahn."

Job Training: Going well beyond the funding of community colleges to provide cheap training opportunities for workers, states are now promising special subsidies to reduce companies' training costs. At one point during the Mercedes battle, North Carolina's Governor Jim Hunt quickly pushed a $35 million auto-manufacturing training facility through a skeptical legislature to be built on the site of a proposed Mercedes plant near Mebane, which was immediately dubbed "Mercedes University." Thinking this subsidy gave the Tar Heel State an upper hand in the recruitment battle, Governor Hunt and his Commerce Secretary, Dave Phillips, were shocked when a Mercedes official casually suggested that North Carolina pick up the salaries of its 1,500 workers for their first year or so on the job, at a cost of $45 million. Since the workers would be mostly in training at the state-funded facility, the company official added, they wouldn't really be producing anything. That was too much even for Governor Hunt and Mr. Phillips, who politely declined. Alabama, however, agreed to a similar request.

Asking Questions

There are serious questions of principle and practicality involved in these multi-million corporate welfare deals. Let's examine just a few.

Incentive packages are unfair to existing businesses. If you operate, for example, a large food-processing plant in Alabama employing hundreds of people—but have been in the state for 20 years—you won't receive the kind of assistance a new business, just recruited into the state, typically receives. Of course you can threaten to leave, but your threats may not be credible because of existing investments and market conditions. And when a government grants a package to one company, it encourages a flood of similar requests that it cannot possibly fulfill. "Every company from two employees to 2,000 comes in, and their first question is, 'What can you give me?'" remarked Chris Clinton, president of the Chamber of Commerce in Jackson, Tennessee to *National Journal.*

For small businesses, the situation is hopelessly unfair. Most small firms will not be deemed important enough to gain special treatment and subsidies, even though they may well be competing for labor or consumers with new big businesses wooed with lavish tax breaks. It's a kind of "political economy-of-scale" dilemma: There may be no significant difference in economic terms between 100 companies adding 10 new employees each and a single new company adding 1,000 at one site. Both result in the same number of jobs. But politicians can only negotiate with a limited number of businesses—and, naturally, attend only the most important ribbon-cuttings. So governmental efforts are more likely to be spent recruiting the big employer rather than cultivating the 100 small ones.

Incentive packages fail to generate significant economic gains. The fact is that no credible evidence has been advanced to support the notion that the activities of state economic development offices—cutting deals with big businesses, creating credit and subsidy programs, etc.—make a real difference in the growth of a state economy. One study of state economic performance from 1964 to 1984 by Texas A&M University's Bryan Jones found that "Many state and local incentives to attract businesses to specific locations seem to be ineffective."

Another study was even more blunt: Margery Marzahn Ambrosius of Kansas State University studied the impact of eight state economic development policies—including state revenue bond financing, special tax breaks, job training subsidies, and subsidized land or infrastructure improvements—on total production and unemployment in state economies. "None of these economic development policies can clearly demonstrate a positive effect on measure of state economic health," Ms. Ambrosius wrote. "If the public policy goal is to increase state economic growth, rather than to aid business without any benefit to the larger state economy, citizens and policymakers must ask whether the funds presently spent on state economic development policies could be more productively invested in other endeavors."

The opportunity cost of providing these incentives is clear. Simply by reducing the tax rates for everyone, rather than targeting breaks for selected industries, states could generate much more bang for the buck. Studies by many researchers show that the state and local tax burden on business plays at least a moderate role—and perhaps a major one—in business recruitment, start-ups, and retention. Richard Vedder of Ohio University has found that the 10 states that lowered taxes the most from 1979 to 1989 grew on average more than twice as fast as the 10 states that raised taxes the most during the same period. Job growth follows the same pattern. Stephen Moore, director of fiscal policy studies at the Cato Institute, found that states with the highest top income tax rates in 1991 experienced job growth rates that were more than 1.5 percentage points lower than the national average, while the low-tax states in his study had job growth rates more than five percentage points higher than the national average.

Interestingly, small businesses seem to be more responsive to tax changes than the larger businesses so often courted with tax breaks. A study by Timothy Bartik of Vanderbilt University found that local property taxes, in particular, have a strong negative impact on small business starts because these companies may show little if any profit in their first years of operation.

Incentive packages can distort labor and consumer markets. As states have increasingly taken it upon themselves to manage an industrial policy within their borders, they often use incentives to channel development to areas with political influence or to those they deem needy. Then-Arkansas Governor Bill Clinton got a law enacted in his state to give corporations an income-tax credit worth 100 times the average wage of each new worker—and 200 times the average wage if a plant is located in a high-unemployment county. While these areas may need economic growth, it's not clear why the state should favor them with such a broad-brush policy when other areas may be better locations for particular business invest-

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ments. Mr. Clinton, for his part, defended incentive strategies even in the face of lackluster results: "The reason we have 25 percent unemployment in parts of the Arkansas delta is not because I don't work 60 hours per week . . . It's because of national political policies and international economics that I can't do anything about." Too many governors, fixated by incentive-package thinking, have exaggerated their role in fostering economic development and controlling market decisions.

Incentive packages often constitute "shakedowns" by companies already planning to relocate in a state. Not only do these policies rarely result in total economic growth—because they shift existing investment around or even hurt growth by imposing costs on the bulk of taxpayers—but they may also fail at their primary task, which is to land a specific business relocation. There is plenty of evidence to suggest that companies take advantage of states by pretending to move elsewhere when they have no intention to, or telling recruiters they are still deciding on a location when in fact they have already chosen one because of such important issues as access to markets, labor costs, unionization, and proximity to existing suppliers.

The BMW example, in which South Carolina provided $130 million to secure the auto manufacturer's investment in the state, illustrates the dangers of incentive negotiations. Douglas Woodward says that BMW already had decided on South Carolina on the basis of other factors before getting the special breaks. "They played us

ALABAMA AGREED TO RENAME A SECTION OF INTERSTATE THE "MERCEDES-BENZ AUTOBAHN" WHEN THE COMPANY OPENED A PLANT THERE.

off Nebraska to get a better deal," he says. In another case—the General Motors (GM) Saturn plant that went to Tennessee—Mr. Bartik and his colleagues found that the Spring Hill site near Nashville was the most suitable site for the plant before the tax abatements it offered were factored in.

Incentive packages are often put together in secret, without appropriate discussion among lawmakers or the public. Only now, for instance, are all the details of Alabama's deal with Mercedes coming to light, and state residents are uncomfortable with what has been promised. The secrecy surrounding many of these negotiations keeps state officials from hearing alternative points of view from other levels of government, economists, or private citizens that might have a bearing on what the state is offering. Also, there is the issue of constitutionality. Are special tax breaks and other targeted help, promised in secret negotiations and enacted with little public input, consistent with the careful wording of state constitutions? In many states, new tax obligations must be put to a public vote, but abatements and credits—which, in effect, impose the costs of new business investments, mainly in infrastructure, on the bulk of a state's taxpaying firms and individuals—are not taken to the people for a vote.

The Mercedes case provides an example of just how far companies will go to try to put the best face on the negotiating process. Just three weeks before Mercedes made its decision public, its lawyers worked up a contract saying that if North Carolina were not chosen, its state officials still would "respond in a positive light." The company also proclaimed throughout the process that it was considering all facets of a potential investment, and that incentives would not play a major role in the decision. But the company's representative in the United States sent a confidential letter to North Carolina's commerce secretary stating that incentives "must be very attractive initially to be considered further." It seems clear that many state officials, with varying degrees of experience in the real business world, are largely defenseless against a big company with clever negotiators and lawyers.

Incentive packages can leave taxpayers holding the bag. Despite attempts by states to hold corporations to their word—including contracts with specific promises of jobs and investment—there is really no way to guarantee the job growth and investment promised. When states and local governments have tried to recoup subsidies they have given to emigrating companies, they have usually lost. Last year, Ypsilanti, Michigan lost a court battle to keep General Motors from closing down a manufacturing plant in the city. The local government had just given GM a $13 million tax credit to try to keep the plant going, and at least sought to recoup some of that money. But the Michigan Court of Appeals wrote that, "It has never been held that ... an abatement carries a promise of continued employment."

Lost tax revenue is one thing. But it's much worse when the taxpayers fund road improvements, land development, training centers, and other infrastructure, only to have a company back out of a deal at the last minute. But that's what happened to the state of North Carolina and local governments seven years ago, when RJR Nabisco approached them about building a $600 million bakery just outside of Raleigh. The government built roads and access ramps to the site, while the state legislature, at the company's urging, changed the state's tax code to benefit manufacturers such as RJR Nabisco. But the bakery was never built, and now the new road is used mainly for a light show during the Christmas season.

Real Growth Strategies

With all the evidence identifying major risks with the incentive-package approach, it's difficult to see why states continue to pursue it. Desperation may be one explanation; generally speaking, it's the states with lackluster economies that tend to offer the biggest packages and spend the most time on activist development policies. But another is politics. A governor or state legislator can establish—at least in the context of a political campaign—a cause-and-effect relationship between his actions and the appearance of a new employer, even if the

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cost is too high or the employer pulls out after 10 years. In the short-term, these deals have proven to be political gold mines.

Some politicians seem to be thinking more in the long term these days. Illinois Governor Jim Edgar, who chairs the National Governors' Association's committee on economic development, spent much of 1993 trying to get other governors to sign a "non-aggression pact" to limit the size and type of incentives packages offered to businesses. Unfortunately, even if such an agreement were reached and adhered to, there is no guarantee that governors, legislators, and other state leaders would instead focus on a true free-market strategy for stoking state economic engines.

Unilateral Disarmament

I think a better strategy is one that some states are already following to a limited extent: Unilateral disarmament. Don't worry about what other states are doing to land high-profile big businesses. Instead, follow these seven steps:

1. Cut or eliminate income taxes for everyone. South Dakota, for example, usually ranks very high in studies of state economic growth: In a November 1993 *U.S. News & World Report* survey, the state ranked second in growth since the 1991 recession. One reason is that the state levies neither corporate nor personal income taxes. Both large and small businesses benefit from this policy. Citicorp moved its operations to Sioux Falls several years ago, and computer maker Gateway 2000, one of the nation's fastest-growing private firms, is located in North Sioux City. Tax reductions need not result in lost revenues or budget deficits. Cato's Stephen Moore provides the examples of New Hampshire and Vermont. In 1987, New Hampshire had a lower per-capita tax burden as a percentage of personal income than any of the 50 states, while Vermont ranked 36th. But New Hampshire's revenue collections grew more quickly than Vermont's from 1975 through 1987. Unfortunately, New Hampshire frittered away its tax advantage through rate hikes from 1988 to 1990—and suffered a severe recession.

2. Cut spending on the local level so property taxes can be reduced. In Michigan, Governor John Engler's progressive spending and tax policies have helped to stimulate business growth, allowing the state to more than offset losses in auto manufacturing jobs with employment in other areas. Property taxes have a strong negative impact on growth, particularly for small businesses, so Mr. Engler's elimination of property-tax funding for local schools last year will be an economic stimulus over the next few years. Economists expect the state's unemployment rate to fall below the national average for the first time since 1966.

3. Reform elementary, secondary, and post-secondary education through choice and competition. In the long run, a better-educated workforce will be more productive and more easily retrained—factors that businesses really do think are crucial when making location decisions. So far, governors and mayors in Wisconsin, New Jersey, and Puerto Rico are leading the way in the public sector, while business leaders and foundations have created private scholarship funds in several states to give choice a chance to prove itself as an education reform.

Photofest

States that want to win the high-stakes development game should fold on sweet deals for big business.

4. Use private contractors and new technologies to construct needed highways that will pay for themselves through electronic-toll collection. Increasing the efficiency of transportation investments will pay off in job and income growth in the long run. Private-sector innovators in both California and Virginia received state approval to construct toll roads using the new technologies.

5. Reduce burdensome state and local regulations.

6. Reform health care on the state level to reduce waste in the system, increase competition among providers, and reduce cost on business.

7. Reduce state spending on welfare and other programs which, studies show, discourage work and sap resources from the productive sector of the economy.

Time to Fold

The shoddy track record of state incentives to lure and sustain healthy businesses ought to convince state lawmakers to put the skids on these massive giveaway schemes. All the evidence indicates that businesses will start up or relocate the old-fashioned way—in a state economy that is nourished on low taxes, restrained spending, and low regulation. Thus, states that really want to win the high-stakes economic development game should fold their hands and take their money elsewhere.

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Politics from the Shadowlands

C. S. Lewis on Earthly Government

John G. West Jr.

Even before the film *Shadowlands*, C. S. Lewis was probably the most widely recognized Christian thinker of the 20th century. By the end of the 1980s, his works—including *Mere Christianity*, *The Screwtape Letters*, and *The Chronicles of Narnia*—had sold more than 70 million copies, an achievement that surely places Lewis among the best-selling authors of all time.

Lewis is most appreciated today for his superlative imagination and his lucid defense of Christian orthodoxy. But he also was a keen observer of social and political affairs. As Americans struggle to define the proper relationship between religious faith, moral principle, and political action, there is much that they might learn from this inimitable British academic.

Permanent in the Political

Turning to C. S. Lewis for advice about politics is undeniably a bit paradoxical. According to stepson David Gresham, Lewis was skeptical of politicians and not really interested in current events. He even observed that he had no use for the "great issues" of his day. "Lord! How I loathe great issues," he wrote in 1940. "Could one start a Stagnation Party—which at General Elections would boast that during its term of office no event of the least importance had taken place?"

Lewis likewise avoided making partisan commitments. During the 1930s, he told a student that he refrained from donating money "to anything that had a directly political implication"; in 1951, he declined a title offered him by Prime Minister Winston Churchill (whom he greatly admired), because he feared that critics would seize upon the honor as evidence that his "religious writings are all covert anti-Leftist propaganda."

Despite this seeming indifference to political life, Lewis wrote about a variety of political topics, including crime, war, censorship, capital punishment, conscription, socialism, vivisection, the welfare state, and the atomic bomb. When he discussed these matters, however, his primary concern was not public policy. Political problems of the day interested him only insofar as they involved matters that endured. Seen in this light, Lewis's habit of writing about politics and his simultaneous detachment from the political arena are perfectly understandable. Uninterested in the partisan passions of the moment, he always tried to find the permanent in the political. As a result, much of what he has to say about public life remains acutely relevant. Indeed, it is the very timelessness of his writings that makes them so timely.

God-Given Reason

Of all the political lessons we can learn from Lewis, perhaps the most important is that public morality should be founded squarely upon public principles. Unlike some Christian conservatives, he did not believe that civic morality ultimately had to be grounded in the Bible to be legitimate. Nor did he believe that arguments about social morality were fundamentally arguments about religion.

Instead, Lewis championed the time-honored idea of natural law—the belief that the fundamental maxims of civic morality are accessible to all human beings by virtue of their God-given reason. This natural moral code cannot be escaped, he said; it is the source from which all moral judgments spring. Its cardinal virtues—justice, honesty, good faith, magnanimity, beneficence, mercy—are known to be true independently of experience. According to Lewis, these basic precepts form a moral common ground that undergirds all civilized societies. He illustrated this point in his book *The Abolition of Man* by cataloguing similar ethical injunctions from some of the world's major civilizations.

Lewis was aware that some Christians objected to natural law because they thought it detracted from the dignity of revealed religion. But he could not accept their view. Far from contradicting Christianity, he argued, natural law is actually presupposed by it. Pointing out that a convert to Christianity "accept[s] the forgiveness of sins," he asked:

> But of sins against what Law? Some new law promulgated by the Christians? But that is nonsensical. It would be the mockery of a tyrant to forgive a man for doing what had never been forbidden until the very moment at which the forgiveness was announced. The idea that Christianity brought an entirely new ethical

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> code into the world is a grave error. If it had done so, then we should have to conclude that all who first preached it wholly misunderstood their own message: for all of them, its Founder, His precursor, His apostles, came demanding repentance and offering forgiveness, a demand and an offer both meaningless except on the assumption of a moral law already known and already broken.

Lewis agreed that Christianity, with its claim to revealed truth about the human condition, deepened one's ethical understanding. But he was insistent that "Christian ethics" not be regarded as "a radically new thing." The practical political consequences of Lewis's understanding of morality are considerable. The present controversy over religion in politics largely hinges on the assumption that the morality espoused by conservative Christians cannot be justified apart from the Bible, and hence it is illegitimate as a guide to secular policy. But according to Lewis, this is a red herring. One does not need to accept the authority of the Bible to know that theft and slander are wrong, or that honoring one's commitment to a spouse or child is a good thing. Civic morality is not the peculiar domain of religion, and Christians who wish to be politically effective (as well as theologically sound) should drive this point home. It is one of the best ways for them to disarm their critics.

Importance of Prudence

Natural law provides a common moral ground for all citizens to enter politics as equals, but it does not provide simple-minded solutions to specific political problems. Nor did Lewis claim that it would. He understood that being morally right is not the same thing as being politically bright. Translating moral principles into public policy requires something more than merely the right moral principles. It requires the virtue of prudence, which Lewis aptly defined as "practical common sense, taking the trouble to think out what you are doing and what is likely to come of it." The importance of prudence is his second lesson about politics.

Lewis lamented that "nowadays most people hardly think of Prudence as one of the 'virtues,'" and he chided fellow Christians for being especially guilty of this offence. "Because Christ said we could only get into His world by being like children, many Christians have the idea that, provided you are 'good,' it does not matter being a fool. But that is a misunderstanding." In Lewis's view, consequences matter, and one of the problems with idealists in politics is that they often don't comprehend this fact. They crusade for perfect health, universal employment, or everlasting peace, but they don't bother to pay any attention to the disastrous effects their policies, if enacted, would likely bring about.

Fundamental to C. S. Lewis's conception of prudence was an unflinching realism about the human condition. He believed human beings are both limited and sinful. They are limited in their knowledge about the world around them. They are limited in their ability to do anything about the knowledge they have. And in those cases where they should know what to do—and are able to do it—their judgment is often derailed by their selfishness. As a result, earthly perfection is unobtainable. Political utopians who think otherwise deceive themselves. Their kind of thinking, said Lewis,

Photo: Marion E. Wade Center, Wheaton College

C. S. Lewis: "I think the art of life consists in tackling each immediate evil as well as we can."

> ... assum[es] that the great permanent miseries in human life must be curable if only we can find the right cure ... But I have received no assurance that anything we can do will eradicate suffering. I think the best results are obtained by people who work quietly away at limited objectives, such as the abolition of the slave trade, or prison reform, or factory acts, or tuberculosis, not by those who think they can achieve universal justice, or health, or peace. I think the art of life consists in tackling each immediate evil as well as we can.

Lewis thought that Christians in politics needed to heed the hard lessons of human imperfection just as much as the secularists. This is particularly so in a society where many people were no longer Christians. In such a situation, Christians ought to recognize the futility of using the government to promote distinctively Christian standards of behavior—as opposed to the shared dictates of the natural law.

Writing about efforts to teach Christianity in state schools, Lewis pointed out that if non-Christian teachers were charged with inculcating Christianity in their pupils, unbelief would be the most likely result. "As the teachers

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are," he observed, "so they will teach. Your 'reform' may incommode and overwork them, but it will not radically alter the total effect of their teaching ... if we were permitted to force a Christian curriculum on the existing schools with the existing teachers we should only be making masters hypocrites and hardening thereby the pupils' hearts."

Another facet of Lewis's prudent realism was his emphasis on political humility. Echoing Aristotle in the *Ethics*, he more than once explained that specific applications of moral principles "do not admit of mathematical certainty." The more specific the application of a moral principle, the greater the possibility of error—especially when fallible humans are involved. Hence, political partisans should be wary of being too dogmatic. Those who proclaim their political program with absolute certainty are flirting with despotism. If ever they begin to take their exalted rhetoric seriously, they will be tempted to stop at nothing—even tyranny—to push their agenda forward.

C. S. LEWIS KNEW THAT INDIVIDUAL VIRTUE COULD NEVER BE PRODUCED BY GOVERNMENT DECREE. GOVERNMENT CAN MAKE PEOPLE BEHAVE, BUT ULTIMATELY IT CANNOT MAKE THEM GOOD.

This was one reason Lewis opposed the creation of an explicitly Christian political party. Such a group, he feared, would raise the political stakes too high. "The danger of mistaking our merely natural, though perhaps legitimate, enthusiasms for holy zeal, is always great," he said, but a Christian party would make the temptation irresistible. "The demon inherent in every party is at all times ready enough to disguise himself as the Holy Ghost; the formation of a Christian Party means handing over to him the most efficient make-up we can find."

Lewis added that attaching divine certitude to a party platform is a theological blunder as well as a political one. It takes the Lord's name in vain by "pretending that God has spoken when He has not spoken. He will not settle the two brothers' inheritance: 'Who made Me a judge or a divider over you?' [Luke 12:14]. By the natural light He has shown us what means are lawful: to find out which one is efficacious He has given us brains. The rest He has left to us."

Beware the Omnicompetent State

A final political lesson to be learned from Lewis is the moral necessity of limited government. An unrepentant critic of what he termed the "omnicompetent" state, Lewis believed that civil society's chief task was the defense of individual liberties so that citizens could live their lives in their own way. No doubt part of Lewis's support for limited government sprang from his prudent assessment of human nature. "I am a democrat because I believe in the Fall of Man," he remarked in the *Spectator*. "Mankind is so fallen that no man can be trusted with unchecked power over his fellows."

However, Lewis also had a positive reason for defending limited government. Good societies depend upon virtuous individuals, and he knew that individual virtue could never be produced by government decree. Government can make people behave, but ultimately it cannot make them good. That is because virtue presupposes free choice. The society where all acts are compelled is a society where no act can be virtuous. Lewis acknowledged that the freedom required for virtue to flourish also "makes evil possible." But this is the price that must be paid for "any love or goodness or joy worth having."

The problem with the modern welfare state is that it operates on premises antithetical to human freedom and the private institutions that help secure it. Lewis summarized why in an essay in *The Observer* in 1958: "The modern State exists not to protect our rights, but to do us good or make us good—anyway, to do something to us or to make us something. Hence the new name 'leaders' for those who were once 'rulers.' We are less their subjects than their wards, pupils, or domestic animals. There is nothing left of which we can say to them, 'Mind your own business.' Our whole lives *are* their business."

Lewis, who lived through Europe's flirtation with both Communism and Nazism, understood the lure of the omnicompetent state. Confronted by the sheer volume and extent of human misery, people naturally look for an earthly savior; many do not care what they will have to give up to get one. Whatever this desire for earthly salvation is, it is not new.

"In the ancient world," he observed, "individuals . . . sold themselves as slaves, in order to eat. So in society. Here is a witch-doctor who can save us from the sorcerers, a war-lord who can save us from the barbarians, a Church that can save us from Hell. Give them what they ask, give ourselves to them bound and blindfold, if only they will! Perhaps the terrible bargain will be made again. We cannot blame men for making it. We can hardly wish them not to. Yet we can hardly bear that they should."

As Americans again hear the siren song of a federal government that offers to fulfill all their hopes and solve all their problems, these words are worth pondering. So are Lewis's many other writings on public life.

C. S. Lewis has much to offer the thoughtful citizen seeking to understand the nature of politics. He convincingly explains how people of faith can become involved in politics without sacrificing either their faith or their reason. He powerfully critiques political idealism that is untempered by prudent realism. And he reinforces with bedrock the moral underpinnings of limited government.

For an academic who once described himself as a cultural "dinosaur," C. S. Lewis's political voice still resonates strongly with relevance and prophetic power for our own day. ☎

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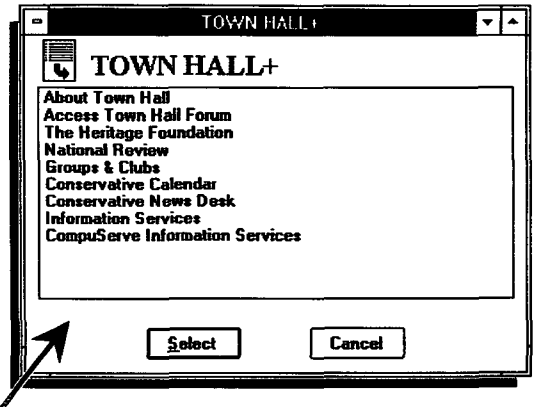

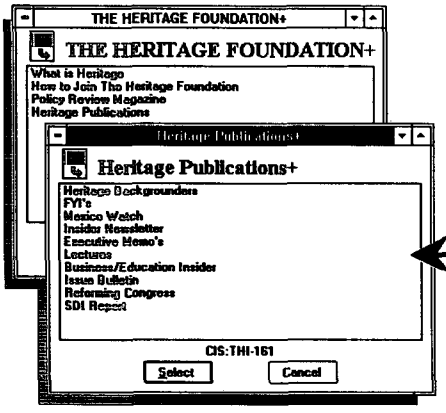

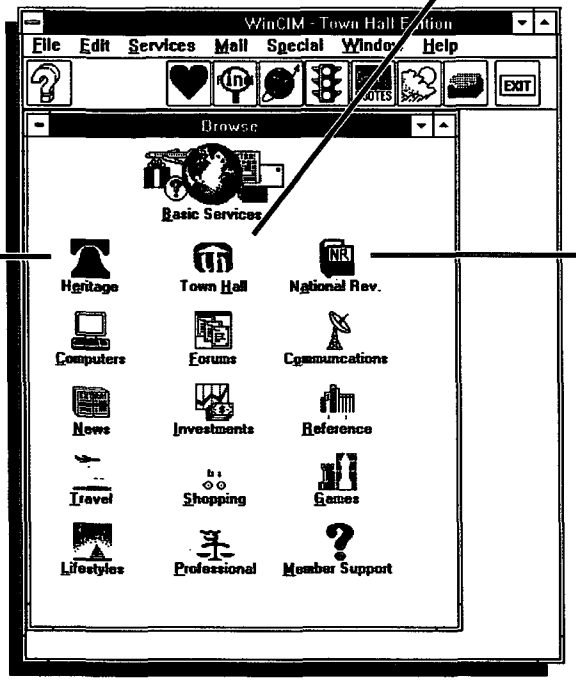

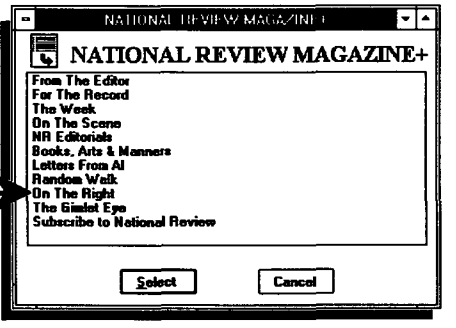

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Make Way for Ducklings

The Sky Is Not Falling on America's Birds

Brian Jendryka

Many environmentalists measure the health of the earth by observing the status of its wildlife. America's birds have long been an important source of concern. Songbirds, we hear, are disappearing; habitats are being destroyed; and extinction threatens countless species.

A close look at the skies, however, should astound even Chicken Little: There are perhaps 1 to 2 billion *more* songbirds in the United States now than at the time of the Pilgrims, according to Roger Tory Peterson, the nation's dean of birding. And while four native species of birds have gone extinct in the last 500 years, most notably the passenger pigeon, scores of species have flourished or rebounded from population nadirs in the 20th century, many with the help of man. According to the U.S. Fish and Wildlife Service's *Breeding Bird Survey*, a majority of the 254 birds tracked between 1966 and 1991 have increased in population, including the wood duck, loon, great blue heron, Canada goose, osprey, purple martin, robin, Eastern bluebird, and Baltimore oriole.

In MIT's *Technology Review*, author and civil engineer Samuel Florman examines this phenomenon: "Considering the speed and voracity with which the United States was developed, one looks for reasons why the destruction was not worse. We could have exterminated most of our wild birds—for food, for feathers, for sport, for egg and nest collections, or through destruction of habitat—but we haven't."

The Eagle has Landed

The reason, according to Mr. Peterson in the same *Technology Review* article, is that "we seem to sober up at the eleventh hour, so we establish laws, game regulations, soil conservation practices, national forests, national parks, sanctuaries, and wildlife refugees." The ban on DDT, for example, saved many species, including the bald eagle and peregrine falcon. The bald eagle, down to 417 pairs in the lower 48 states in 1963, now numbers some 3,000 pairs. Game regulations such as bag limits and hunting seasons also have contributed significantly to the recovery of many species. In the early 1900s, there were only 30,000 wild turkeys. Today there are over 4 million.

"Human development has serendipitously helped many species of birds to thrive," says Mr. Florman. Chimney swifts, phoebes, swallows, and nighthawks have all flourished in the partly cleared timberland "edges" that juxtapose developed areas. The peregrine falcon now thrives on skyscraper ledges in cities such as Detroit, New York, and Los Angeles. Unlike many migratory birds in the wild, the pigeons eaten by peregrine falcons in the city are also free of DDT, giving the city falcons an advantage over their country cousins.

Stewardship Is For the Birds

The turnaround of many bird populations—and the sustained health of others like the bald eagle and the wild turkey—is a tribute to responsible environmental stewardship. Numerous birds and their habitats have been "adopted" by private organizations, such as the North American Bluebird Society (NABS) or the Loon Preservation Committee (LPC). Others, including the wood duck, peregrine falcon, and the red-cockaded woodpecker, have thrived because of successful habitat management by private groups such as Ducks Unlimited, The Nature Conservancy, and the Tall Timbers Foundation. The grass-roots efforts of bird-loving organizations like these have been pivotal in the recovery of many species.

Some of the most effective stewards of birds are hunters. According to Doug MacCleery, assistant director for timber management at the U.S. Forest Service, "If we'd had an endangered species list at the turn of the century, wood ducks and wild turkeys would have been on it." This is no longer the case. While the elimination of market hunting has helped bring both of these birds back, it is groups like The National Wild Turkey Federation (NWTF) and Ducks Unlimited (DU)—most of whose members are avid hunters—that keep duck and wild turkey populations high.

The wild turkey, once suggested by Benjamin Franklin as our national bird, has made an incredible comeback, aided considerably by the National Wild Turkey Federation. The non-profit group has over 400 chapters in 46 states and has played a key role in turkey-population management for the last 20 years. Approximately 90 percent of NWTF's 83,000 members are turkey hunters. As such, they have both contributed to and benefited from the wild turkey's population increase. The organi-

Brian Jendryka *is assistant editor of* Policy Review.

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zation's mission, according to research director Ron Brenneman, is "conservation of the wild turkey and turkey-hunting tradition." The group has a big constituency from which to draw: The nation's 1.9 million hunters kill 500,000 turkeys every year, a population the NWTF works hard to maintain.

The group concentrates its efforts on capturing wild turkeys in states with high turkey populations, like Missouri, Iowa, Wisconsin, or South Carolina, and moving them to states with low populations, like Texas. Because it is a federal offense to sell wildlife, the NWTF coordinates efforts between state wildlife authorities for replacement costs. For example, Texas recently paid Missouri $500 per bird for the replacement value of 105 birds that Missouri gave to Texas. Likewise, Indiana traded Missouri four ruffed grouse for each turkey it recently acquired, a trade beneficial to both states.

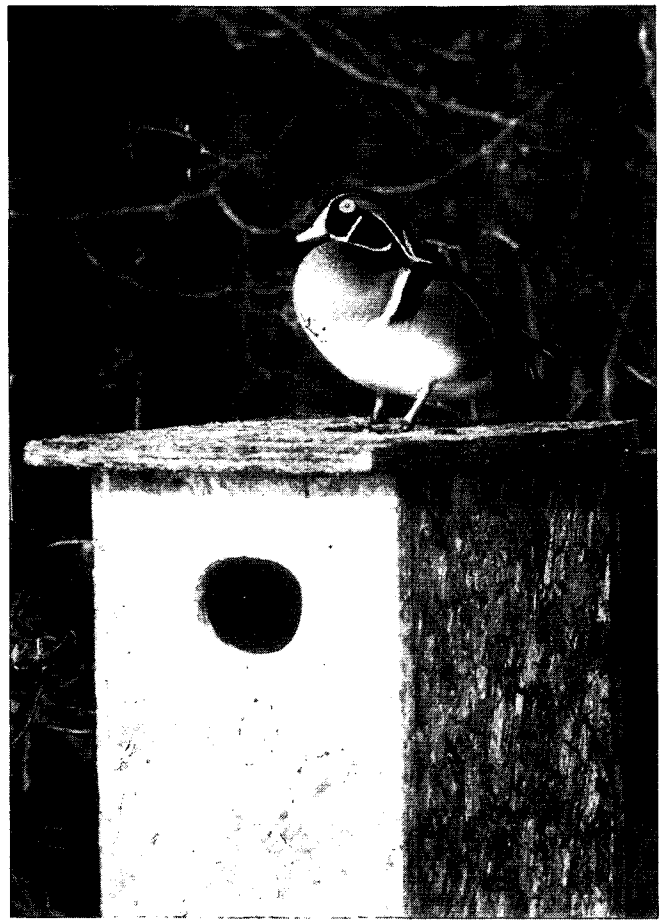
There are now wild turkeys in every state of the union except Alaska, thanks largely to the group's work with state wildlife agencies. "There are probably turkeys in areas right now where they weren't at the time of the pilgrims," says Mr. Brenneman.

Ducks Unlimited

With over 500,000 members and sister organizations in Mexico and Canada, Ducks Unlimited has been preserving ducks and their habitats for over 50 years. Cooperating with state governments, corporations, farmers, and individual landowners, the group has restored and enhanced over 6 million acres of habitat in all 50 states. The wood duck, a small, brightly colored duck patterned with iridescent greens, purples, and blues, is one species that has responded well to these efforts. When the wood duck population reached a dangerously low level as a result of lost nesting sites in the 1920s, duck hunters and conservationists began erecting duck boxes in swamps to serve as replacement homes. It was then that conservation groups like Ducks Unlimited formed. In addition to its other habitat projects, Ducks Unlimited has continued to help build thousands of wood duck boxes, a project so popular that it has turned into a back-yard activity for many Americans.

"It seems like wherever you put a wood-duck box, you get wood ducks," says Jeff Nelson, chief biologist for Ducks Unlimited. No wonder: The boxes, built to keep out predators like snakes and raccoons, are probably safer than the ducks' natural habitat, says Mr. Nelson. Largely the result of these boxes, there are now over 3 million wood ducks in North America, enough to support an annual duck harvest of over 800,000.

As with the NWTF, hunters play a vital part in this bird's recovery. Over two-thirds of DU's members are self-identified duck hunters, according to Scott Sutherland, director of government affairs for DU. The nation's 1.2 million duck hunters are some of the nation's best conservationists. Often, landowners will manage their land as wildlife habitat—up to 10,000 acres or more—just to hunt ducks during hunting season. "The big impact hunting has right now is a positive one," says Mr. Nelson. "Many who hunt ducks invest substantial time and money to develop habitat. In order to enjoy the birds, most hunt these areas lightly, if at all."



Scott Nielson, Ducks Unlimited, Inc.

"It seems like wherever you put a wood-duck box, you get wood ducks."—Jeff Nelson of Ducks Unlimited

Ducks Unlimited's staff of biologists works with wildlife managers to make habitat more amenable to ducks and other wildlife. Over the last five years, the group also has leased or purchased 180,000 acres of marginal agricultural land from farmers (usually with a 10-year lease or longer) and turned it into wildlife cover.

The gadwall and northern shoveler are two ducks that have benefited from this effort. From 1973 to 1993, gadwalls have increased by 500,000, northern shovelers by 400,000. Other hunted waterfowl have also benefited: The Canada goose, snow goose, and tundra swan have all seen their numbers grow by at least 30 percent over the same time period.

No Trespassing

Ducks Unlimited has had tremendous success with its Private Lands Program (PLP), which works under the principle of "enhancing land—not taking it." The PLP has had success where many environmental groups and government agencies have not—getting farmers and ranchers to cooperate with conservation efforts. Often, what is good for wildlife can be good for farmers as well. "The future of wildlife will depend on our ability to provide habitat on private land," says Jack Payne, director of the Private Lands Program in the Western United States. "The challenge will be to provide incentives for private landowners to provide habitat for wildlife."

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courtesy of LPC

The Loon Preservation Committee's loon rangers have been protecting loons and loon habitat since the group was founded in 1976.

Technical advice and support from the PLP help farmers achieve better weed control and higher crop yields, while improving the land for waterfowl and other wildlife. In Washington's Skagit Valley, Ducks Unlimited convinced farmers to plant barley after harvesting their pea crops. In addition to providing habitat for ducks, the barley extracts nitrate from the ground, which stops nitrate leakage into Skagit Bay and may save the farmers money on fertilizer.

In California, Ducks Unlimited has encouraged rice farmers to flood and roll their land instead of burning it at the end of the season, adding 90,000 acres of seasonal wetlands for ducks. Getting ducks to feed at these temporary wetlands accelerates the decomposing of leftover rice stubble on the fields—"a win-win situation that shows agriculture and conservation can work together for the benefit of both," Payne says.

Ducks Unlimited is also part of a wildlife-friendly agriculture program aiding birds such as the greater sandhill crane and the Aleutian Canada goose, listed as threatened by the U.S. Fish and Wildlife Service. The organization, along with other environmental groups, has increased bird habitats simply by convincing farmers to use more fowl-friendly pesticides and to flood their fields earlier.

According to David Paulin, coordinator for the Central Valley Habitat Joint Venture, the potential for the program is tremendous, particularly for California's waterfowl habitat. "A successful program of encouraging wildlife-friendly agriculture could add as many as 443,000 acres," he said in *Audubon*. "And mostly what's needed is just encouragement and technical advice."

Moreover, farmers who flood their fields early to help birds may qualify for extra water, a scarce commodity in California. The effect is to help farmers and other landowners serve as effective environmentalists, something they will often jump at the chance to do. "A big reason so many birds come and stay, for that matter, is because this is private land, and they can be pretty much undisturbed," says Jim Shanks, one of the first farmers in the area to flood his fields early. "I always like to say the first environmentalist was really the farmer with the NO TRESPASSING sign."

Whooping It Up

Like Ducks Unlimited, the Nature Conservancy has protected wildlife by protecting its habitat. The group does this by acquiring properties that are ideal for wildlife conservation, either by purchasing the land outright or by negotiating conservation easements with landowners. The Conservancy now manages 7.6 million acres, has 740,000 members and an annual budget of over $250 million. The group, founded in 1951, launched its "Last Great Places" campaign in 1991 to expand its acquisitions and management to the ecosystem level, according to Ben Thomas, the director of media relations.

Thirty rare species of bird receive special protection in these "Last Great Places." One of the most successful habitat protection programs is that of the bald eagle, which has nesting sites on 18 Nature Conservancy properties. The Nature Conservancy is also part of an ongoing effort to save the trumpeter swan, the world's largest waterfowl, with a wingspan of 8 feet and weighing 20 to 30 pounds. In February 1993, the group's Idaho director purchased 3,200 square feet of water on the Snake River to rescue 500 trumpeter swans trapped and starving in the frozen waters. Because of successful captive breeding programs, there are now over 2,000 trumpeter swans in the lower 48 states, compared with fewer than 100 in 1932.

With the help of the Nature Conservancy and the Aransas National Wildlife Refuge, outside Rockport Texas, the whooping crane also has increased its numbers. Falling from a high of about 2,000 in 1860 to just 18 in 1937, the whooping crane population has risen to 200. The Nature Conservancy's 1,240-acre John E. Williams nature preserve in North Dakota is an important resting

THERE ARE NOW OVER 3 MILLION WOOD DUCKS IN NORTH AMERICA, ENOUGH TO SUPPORT AN ANNUAL DUCK HARVEST OF OVER 800,000.

and feeding areas for migrating whooping cranes, as well as piping plovers, sandhill cranes, and many other shorebirds and waterfowl. Every year the cranes migrate from Canada to a 35-mile stretch of the Texas coast. Three-quarters of the cranes go to Aransas National Wildlife Refuge, a 47,000-acre preserve run by the USFWS.

In addition to farmers and hunters, other private landowners, including ranchers and commercial timber producers, have made their lands more bird-friendly through altered use or management. North Maine Woods Inc., a group of 20 landowners controlling 3 million acres, has successfully combined timber production, public recreation, and a wildlife-rich habitat, including great blue

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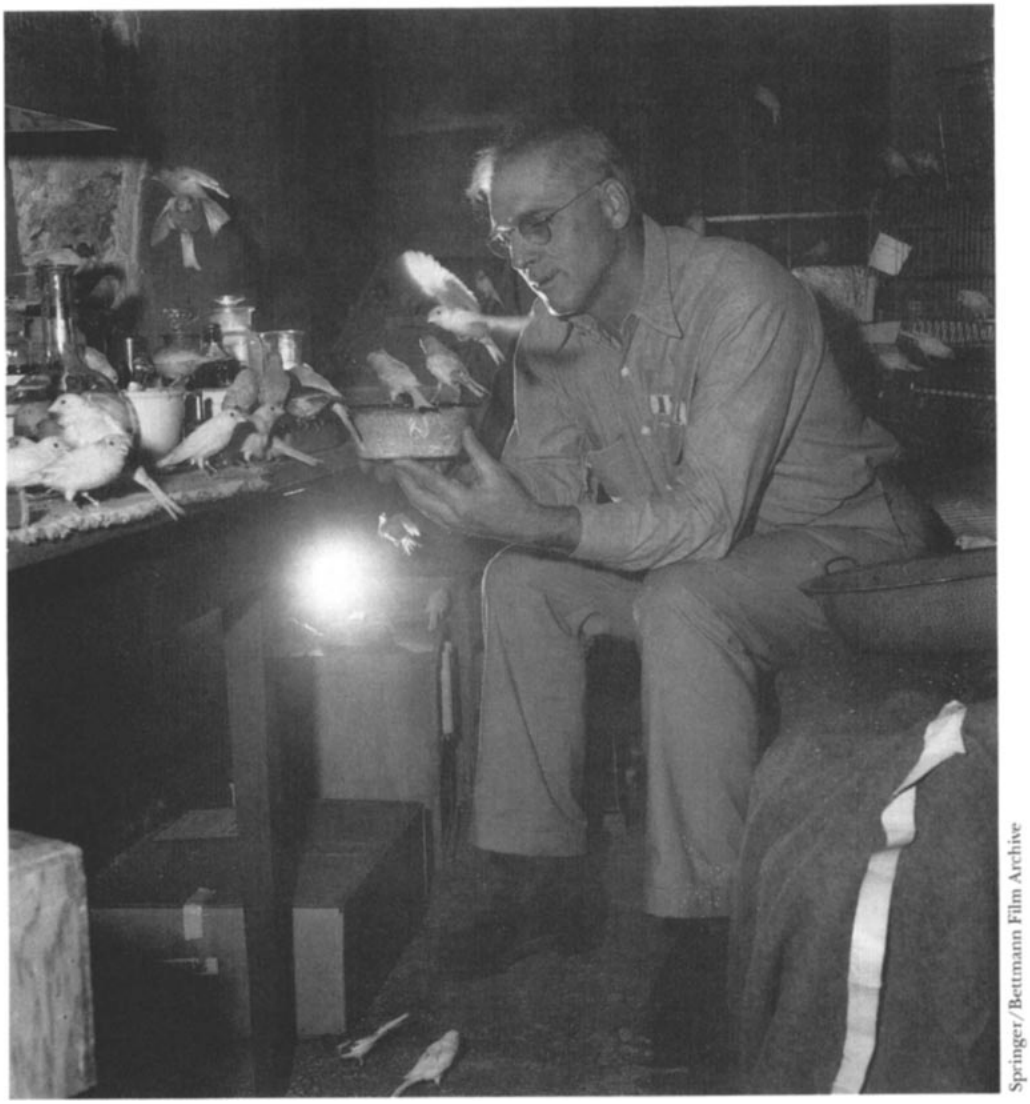
heron, osprey, loons, and bald eagles. Operation Stronghold, based in Chiloquin, Oregon, is another such group. Some members erect nest boxes for American kestrels, which has helped some farmers reduce rodents; others simply leave rocky areas uncut, attracting songbirds like bobolinks. More than 500 members, owning 500,000 acres of property, have joined the effort.



Springer/Bettmann Film Archive

The turnaround of many bird populations—and the sustained health of others—is a tribute to responsible environmental stewardship.

The Loon Ranger

There are also many groups dedicated to bird species not for hunting or culinary value, but for purely aesthetic reasons. The brightly colored bluebird and mysterious loon are two excellent examples.

The common loon, easily distinguished from other waterbirds by its eerie laugh and tuxedo-like coloring, is still in abundance in Maine and Canada (where the Cree Indians of Quebec still eat them, they are so plentiful). In New England, however, a host of factors has hurt the bird: declining habitats; predators such as raccoons and gulls; poisoning from swallowing lead fishing weights; water-level fluctuations; and a propensity to abandon its nest if disturbed by humans.

In the mid-1970s, Ralph Kirshner became one of the first of a long line of "loon rangers" for New Hampshire's Loon Preservation Committee. Now a loon ranger emeritus, Mr. Kirshner has seen the New Hampshire loon population almost double from just 271 in 1976, to a high of 514 in 1993.

The LPC's loon rangers—a handful of paid biologists and 300 volunteers—have been protecting loons and loon habitat since the group began in 1976. As a part of its efforts, the LPC monitors the state's loon population, recording weekly the status of every lake where the loons are nesting.

Volunteers also nest-sit on busy summer weekends, taking shifts to protect roped off nests from human and boat traffic. Some of the nests are on artificial nesting platforms, which the group builds to use in areas that have problems with water levels or predators. The group also encourages local dam owners to postpone raising water levels until after the chicks have hatched.

The non-profit organization, organized as a special project of the State Audubon Society of New Hampshire, is self-funded, with a membership of 2,000, according to LPC Director Betsy Poirier. The group even holds an annual loon festival and takes a loon census every year, aided by more than 700 volunteers. The LPC also works closely with groups like the Nature Conservancy, advising them on land acquisition.

According to Mr. Kirshner, the LPC is saving both loons and other species in New Hampshire. "Hopefully, by getting people to focus on loons, we expand their horizons to other areas as well."

Bluebirds of Happiness

The recovery of the bluebird could be scripted from the movie *Field of Dreams*—if you build it, they will come. Americans keep building bluebird houses, and bluebirds keep coming.

According to surveys, the Eastern bluebird population decreased 6.5 percent from 1966-1978. Why? Non-native English starlings and house swallows were taking their nesting cavities. Lawrence Zeleny, a biochemist for the U.S. Department of Agriculture and lifelong bird watcher, was one of the first to notice this phenomenon.

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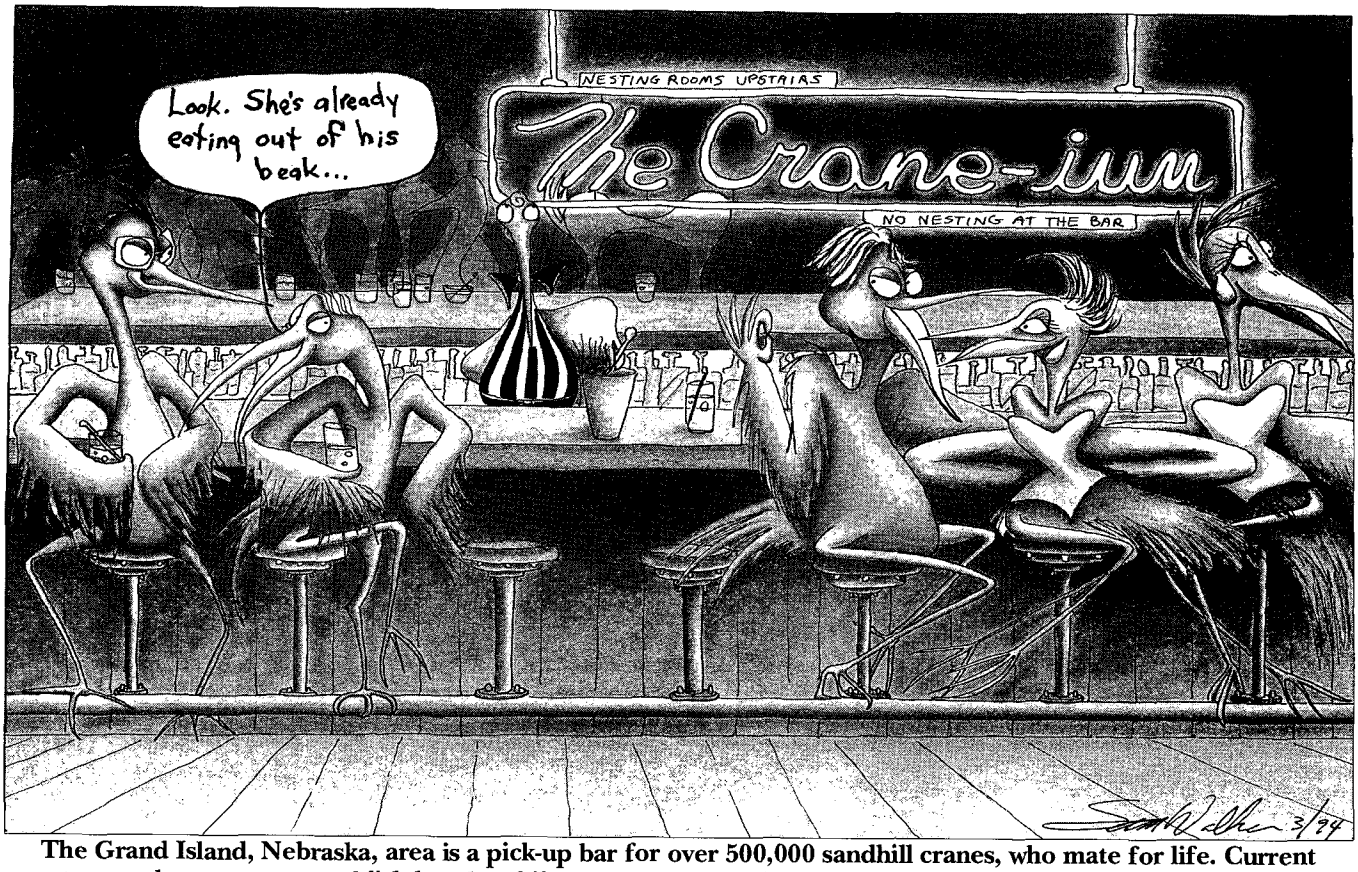

original drawing by Sam Walker for *Policy Review*

The Grand Island, Nebraska, area is a pick-up bar for over 500,000 sandhill cranes, who mate for life. Current mates use the area to re-establish bonds, while young cranes and those who have lost a mate search for new ones.

At his own expense, Mr. Zeleny began building houses with the cavity needed by the bluebird, but with an entrance hole too small for the starling. At the same time, Mr. Zeleny began doing public relations work for the bird, including a column for the *Nature Society News* and a *National Geographic* article entitled, "Song of Hope for the Bluebirds." At the urging of friends, he spearheaded a continental effort to save all three species of bluebirds (Eastern, Western, and Mountain), and founded the North American Bluebird Society in 1978.

OVER 100,000 BLUEBIRD HOUSES HAVE BEEN BUILT IN THE LAST 15 YEARS. FROM 1978-1987, THE EASTERN BLUEBIRD POPULATION HAS INCREASED 9.5 PERCENT

Private citizens and organizations have built over 100,000 bluebird houses in the last 15 years, with great results. From 1978 to 1987, the Eastern bluebird population has increased 9.5 percent, according to the *Breeding Bird Survey*. The national organization has spun off local and state bluebird societies, with 13 state societies from California to Vermont, as well as societies in Bermuda and Canada, according to NABS Executive Director Mary Janetatos, who runs the office out of her Silver Spring, Maryland home. The group also lends technical assistance to state departments of non-game wildlife, helping them establish cavities for the bluebird.

PURPLE HAZE

Though the purple martin is not endangered or threatened, it has been blue-listed by the National Audubon Society (NAS), which means it is a declining species. Dr. Eugene Martin of the Smithsonian Institute estimates that there were once 10 times as many purple martins as there are today.

It was with great joy and astonishment, then, that avid birder and purple-martin lover Carlyle Rogillo discovered a roost of 200,000 purple martins just blocks from his home in Metairie, Louisiana, outside New Orleans. Mr. Rogillo quickly formed Project Swallow, an organization to develop and protect the area. The group negotiated a state lease for the area, turning it into a mini-park to be used by visitors.

The largest of the swallows, the purple martin (which is actually dark steel-blue) nests in both trees and elaborate martin houses. Their living arrangements are part of their appeal, as they thrive in what amounts to birdhouse subdivisions, with up to 200 pairs living in separate compartments. Though the park only has capacity for 300 people, up to 6,000 visitors have come on one weekend. Families flock to Bourbon Street to watch the purple martins. The *New Orleans Times Picayune* calls it the "best show in town."

Mr. Rogillo, who also rehabilitates injured purple martins, has developed methods to train people to help the

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injured birds. The Martin Rehabilitation Project has sent swallow first-aid manuals to 1,000 institutions in the United States and Canada. The group estimates that the manual, which is used everywhere from zoos to veterinary hospitals, saves 12,000 birds yearly.

Bird Man

As the response to purple martins in New Orleans shows, "eco-tourism" can be tremendously profitable. Many groups have successfully rescued a species or habitat while stimulating the local economy as well. The turkey-hunting industry, for example, contributes $600 million to the economy every year.

A similar effort in central Nebraska to protect its sandhill crane population has proved immensely successful. In 1988, Craig Faanes started "Wings Over the Platte," to protect the 500,000 sandhill cranes and millions of ducks and geese during their two-month stopover in the Grand Island area every spring. Mr. Faanes, now a field supervisor for the USFWS Division of Ecological Services, describes the area as "the epicenter of importance for cranes," a "pick-up bar" for the birds, which mate for life. Current mates use the area to re-establish bonds, while young cranes and those that have lost a mate search for new ones. In addition to cranes, geese, and ducks, at least five endangered or threatened species use the area, including the bald eagle, peregrine falcon, and least tern.

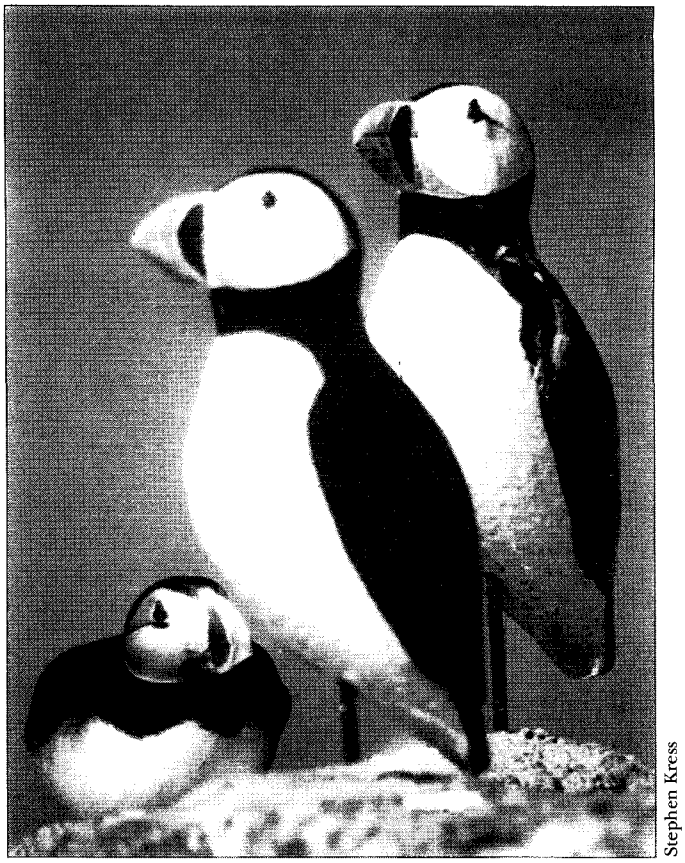
The first year, Mr. Faanes made presentations to every fourth-grade class in Grand Island, quickly becoming "bird man" to the people of central Nebraska. Mr. Faanes's mission—to instill in residents a sense of ownership for the local environment—is also generating a social and economic boon. Visitors grew from 5,000 the first year, to 10,000 the next year, to 100,000 last year. The birds also generated $30 million in tourist revenue for the area in one month. "All to look at a bunch of noisy birds," Mr. Faanes says.

One Man, Many Puffins

The 550,000-member National Audubon Society, which celebrates its 90th anniversary in 1995, does similar work. The NAS manages over 100 sanctuaries encompassing 150,000 acres. Stephen Kress, a biologist with the Society, operates one of the group's most successful projects—the Puffin Project. Its aim is to repopulate islands off the state of Maine with puffins, murres, and the endangered roseate tern.

DECOYS AND RECORDINGS, FIRST USED WITH PUFFINS, ARE NOW BEING USED TO LURE TERNS AWAY FROM AIRFIELDS IN CALIFORNIA AND LAYSAN ALBATROSSES FROM AIRFIELDS IN HAWAII.

The birds were hunted to near-extinction in the 1800s.



Stephen Kress

Hand-painted puffin decoys, which resemble the short, brightly beaked bird in a variety of poses, have helped repopulate Seal Island National Wildlife Refuge.

Part of the problem is that puffins will not populate islands that do not already have puffin colonies. This left Mr. Kress with the age-old chicken- (or in this case, puffin) and-egg dilemma. He could not get puffins to nest on an island unless he established a puffin presence. However, he could not establish a puffin presence because they were not nesting there.

Mr. Kress's solution? Hand-painted puffin decoys, which resemble the short, brightly beaked bird in a variety of poses, and recorded calls, played on a solar-powered tape player. It is with these tools—and six puffin chicks from Newfoundland—that Mr. Kress began his first puffin colony in 1973 on Eastern Egg Rock Island, where fishermen extirpated the birds in 1887. Eastern Egg Rock is one of five islands that Mr. Kress has repopulated, all part of a 16-island group managed by the National Audubon Society. From 1984-89, Mr. Kress and his staff, with assistance from the USFWS and the Canadian Wildlife Service, relocated 950 puffin chicks to Seal Island National Wildlife Refuge. In 1992, seven pairs returned to nest; in 1993 that figure doubled to 15.

Roseate terns, listed as endangered in the Northeast by the USFWS, experienced similar success on Eastern Egg Rock. In 1880, 1,000 common and Arctic terns nested at Eastern Egg Rock. By 1936, only a few pairs remained, the result of hunting and increased gull populations. To restore the terns, Mr. Kress first removed 100 great black-backed and herring gulls, predators of tern eggs. He then used decoys and recorded bird calls. Now, after a tempo-

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rary setback in 1984 caused by an outbreak of avian cholera, the number of nesting terns is way up: In 1993, there were 1,168 pairs of common terns, 46 pairs of Arctic terns, and 59 pairs of roseate terns. In 1992 a similar effort began at Matinicus Rock with the common murre, which has not nested there since the 1840s. The idea of decoys and recordings, first practiced by Mr. Kress with the puffins, is now being used to lure terns away from airfields in California and Laysan albatrosses from airfields in Hawaii.

Funding for the puffin project comes from private donations and sponsorships. One source of revenue is the "adopt-a-puffin" program, in which residents financially support the recovery of a puffin—receiving a photograph and biography—for $100. The project also receives money from the tourism industry generated by the repopulation efforts. The three charter boat companies that take 2,000 people a year to see the birds give a portion of their earnings to the project, some as much as $3 per person, according to Mr. Kress.

Fire Ecology

The Kirtland Warbler, easily distinguished by its low pitched, bubbling voice and wagging tail, lives almost exclusively in Michigan and nests only in young jack-pine stands. Even with such limited habitat, its numbers have climbed from 167 in 1987 to 485 in 1993, close to its peak of 502 in 1961. The warbler has come back for two reasons. First, its habitat has expanded. This is the result of both a large 1980 fire that regenerated jack pine habitat, and efforts by the state and federal government to plant 2.5 million new trees per year.

The Kirtland Warbler also has benefited from the destruction of thousands of brown-headed cowbirds. The cowbird, which feeds on seeds in cow dung, lays its eggs in other birds' nests, leaving the host bird to care for them. In the case of the Kirtland warbler, the young cowbirds grow faster than the warbler chicks, often causing them to starve.

By showing that fire ecology is good for quail hunting and timber harvesting, Tall Timbers can significantly increase the habitat for the red-cockaded woodpecker.

Fire-control efforts and forest fragmentation have held natural fires in check in America over the last 50 years. This is unfortunate if you happen to be a red-cockaded woodpecker, which reside in longleaf pine forests that require an occasional fire to prevent hardwood trees from overtaking them. "The ecosystem is driven by fire," says Todd Engstrom, a biologist for the Tall Timbers organization. "It just doesn't function without fire. Birds and mammals have become adapted to that composition."

Tall Timbers is a group based in Tallahassee, Florida that uses fire ecology and habitat management to help preserve animals like the red-cockaded woodpecker.

With the help of individuals like Nebraska's Birdman and New Hampshire's loon rangers, as well as groups like Tall Timbers and Ducks Unlimited, a partnership is forming between property owners and bird lovers.

Working with private landowners, the group negotiates management agreements or conservation easements on acres of private land. In Pebble Hill, Georgia, it has a management agreement on 2,000 acres of private land. As a part of this agreement, Tall Timbers does a prescribed burning every other year on a section of land.

The group hopes that success here will convince other private landowners, who fear lawsuits due to the smoke and fire-jumping, to use fire ecology on their property. The Red Hills Conservation Association, the conservation division of Tall Timbers, has secured easements on over 11,000 acres of property in the Red Hills area of Georgia and Florida. The easements are in perpetuity, transferring with the land title to future owners. According to Julie Moore, director of the Red Hills group, the easements serve both the landowners and Tall Timbers. The landowners—often second- or third-generation owners—receive tax breaks that allow them to keep their land while continuing existing land uses, such as timber harvesting and hunting. For its part, Tall Timbers is able to build a contiguous forest that erases the state line between Georgia and Florida.

By showing that fire ecology is good for activities like quail hunting and timber harvesting, Tall Timbers can significantly increase the habitat for the red-cockaded woodpecker. "We're trying to show that it's good economics and good ecology," says Mr. Engstrom. "We think the system works—for quail hunting, for the timber it helps produce, and for the endangered species."

Population Ternaround

With the help of committed individuals like Nebraska's Birdman and New Hampshire's loon rangers, as well as groups like Tall Timbers and Ducks Unlimited, a partnership is forming between property owners and bird lovers. This cooperative spirit is helping to restore and protect bird populations and habitat. Through these efforts, America can make way for ducklings. And bluebirds and puffins, too. ☎

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Condom Nation

Government Sex Education Promotes Teen Pregnancy

Jacqueline R. Kasun

During the debate over her confirmation last year, Surgeon General Joycelyn Elders sketched her strategy for combating teen pregnancies and sexually transmitted diseases with her usual sledgehammer bluntness: "I tell every girl that when she goes out on a date—put a condom in her purse." Dr. Elders lamented that schools teach youngsters how to drive but "don't tell them what to do in the back seat."

In fact, they do, and have been doing so for decades in the form of explicit sex-education programs and school-based clinics. And that is the problem. Premarital sexual activity and pregnancy have increased in step with the increase in the programs. One of every 10 teenage girls in the United States now becomes pregnant each year. Studies published by the government family planners indicate that these problems are very likely the result of their programs. For example, one such study found that contraceptive education increased the odds of 14-year-olds starting intercourse by 50 percent.

Sex Education for All

None of these facts has ruffled Dr. Elders and her allies in the Clinton Administration. Dr. Elders has called for greatly expanding the government commitment to comprehensive sex education from kindergarten through 12th grade, though the surgeon general prefers starting at age three. She wants free contraceptives and abortion referrals through schools and clinics. In his first weeks of office, President Clinton extended the services of federal family-planning clinics and increased their budgets by $100 million. His proposal for health-care reform gives a prominent place to school clinics.

The Clinton administration's expansion of family planning is only the most recent step in a long march of government-engineered sex education. In 1964 a private coalition of educators and activists founded the Sex Information and Education Council of the United States (SIECUS) to "expand the scope of sex education to all age levels and groups." Since then, its curriculum has helped form the basis for sex-ed guidelines in most public schools. In 1965 Congress began to subsidize birth control for the poor. Beginning in 1967, Congress enacted program after program to extend government birth control. This culminated in the Adolescent Pregnancy Act of 1978, which specifically targeted teenagers, even though they were covered in other programs.

Today, sex education is taught from kindergarten through college throughout the nation. In New York, second-graders stand before their classes to name and point to their genital organs. In California, children model genital organs in clay and fit condoms on cucumbers. From such books as *Changing Bodies, Changing Lives*, children are learning alternative forms of sexual expression—including oral sex, anal sex, masturbation, and homosexuality.

At the same time, government-supported "family planning" clinics have blanketed the country, providing young, unmarried men and women with pills, condoms, and abortions—usually without parental notification. School-based clinics, 24 of them in Arkansas alone, often make condoms and other birth-control devices available to children, and even refer teenage girls for abortions without their parents knowledge. The number of school-based clinics has grown from 12 in 1980 to at least 325 in 1993, according to the Center for Population Options. All told, federal and state expenditures for contraceptive services increased from $350 million in 1980 to $645 million in 1992—not including abortions, sterilizations, and most sex education.

A Record of Failure

It is bad enough that public money is being used to advance a sexuality agenda that many families find objectionable. What is inexplicable is that these government efforts continue—trumpeted by our nation's chief medical officer—in the face of mounting and irrefutably negative evidence.

Proponents of sex education argue that government family planning increases the use of contraceptives. It does, but it is most effective at encouraging higher rates of sexual activity, teen pregnancies, and sexually transmitted diseases.

As early as 1980, Melvin Zelnik and John F. Kantner reported in the September/October issue of *Family Plan-*

Jacqueline R. Kasun *is a professor of economics at Humboldt State University in Arcata, California and the author of* The War Against Population *(Ignatius Press, 1988).*

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ning Perspectives, a publication of the Alan Guttmacher Institute, that the proportion of metropolitan teenage women who had premarital sex rose from 30 percent in 1971 to 50 percent in 1979. They also reported that the premarital pregnancy rate was increasing even faster than premarital sex activity, despite the increasing availability and use of contraceptives. All of this occurred after more than a decade of increasing sex instruction in public schools.

Studies in the 1980s revealed similar trends. A 1986 Louis Harris poll commissioned by Planned Parenthood found that 64 percent of 17-year-olds who had contraceptive instruction had engaged in intercourse; the proportion was 57 percent for those who had not had the instruction. Two massive studies of the effects of sex education, published in *Family Planning Perspectives* in 1986, found that young people who had received sex education were more likely to engage in sex at an early age than those who had not received the instruction. These studies were based on two large national probability samples, giving them a high degree of reliability.

School-Based Clinics

The record has been equally poor for school-based clinics. Douglas Kirby, a supporter of school clinics, published in the January/February 1991 issue of *Family Planning Perspectives* an evaluation of six clinics that tried to reduce pregnancy by providing birth control services to students. The clinics were operating on school grounds in Dallas, Texas; San Francisco, California; Gary, Indiana; Muskegon, Michigan; Jackson, Mississippi; and Quincy, Florida. Mr. Kirby and his comrades reported that the clinics did not reduce pregnancy. Despite this, they suggested ways to improve the effectiveness of the clinics, which included "more outreach."

As an expert witness, I submitted an affidavit to the Supreme Court of the State of New York in 1991; in it I reviewed seven published studies of the outcomes of programs to reduce pregnancy by providing sex education, together with easy access to contraceptives. The programs had been undertaken in Los Angeles, Baltimore, New York, Cleveland, Seattle, Denver, Atlanta, Pittsburgh, St. Paul, and an unnamed "large midwestern city." None of the seven studies presented valid evidence of reductions in pregnancy: Some gave evidence of increases in pregnancy; six of the seven gave evidence of increases in sexual activity.

The Baltimore school clinic program, despite its positive media coverage, needs to be revisited. Laurie Zabin and Janet Hardy, its director, have written several articles and a book about the clinic, claiming it reduced sexual activity and pregnancy among its student clients. However, a careful look at their research methods shows that they manipulated their sample; they omitted the 12th grade from some of their calculations, on the grounds that some of the young women were not sufficiently "motivated" or "advanced"—whatever that means.

Clinic officials have claimed that students "delayed" sexual activity and that teen pregnancies declined. But they based these claims on questionnaires collected from only 96 of the 1,033 girls surveyed at the beginning of the clinic program. They published figures showing that teen sex increased during the operation of the program, but then denied this is what the figures meant.

Last year, Mr. Kirby and others reported on the almost 20 years of experience in the much-publicized St. Paul school clinics, which provide a "full range of reproductive health services," including sex education and prescriptions for birth control. The media have broadcasted claims of significant reductions in student birth rates. Mr. Kirby and his co-authors, however, found "a statistically significant increase in birthrates after the clinics opened." They caution, nevertheless, that the appropriate conclusion is that "the St. Paul clinics had little impact on birthrates." Incredibly, the Center for Population Options concluded that the results prove the need for more "interventions."

Subsidizing Illegitimacy and Abortion

Such interventions, however, are simply giving us higher rates of casual sex and illegitimacy. The statistical evidence has been around a long time. Susan Roylance studied 15 states with similar social-demographic characteristics and rates of teenage pregnancy in 1970; in testimony to Congress in 1981 she reported that those with the highest expenditures on family planning showed the largest increases in abortions and illegitimate births among teenagers between 1970 and 1979.

In 1992, I conducted a study of welfare dependency in the 50 states based on data for the mid-1980's (the data for such a study become available only after a lag of three to five years). The results showed that states which spent *more* on birth control per woman ages 15 to 44 had higher proportions of births out-of-wedlock and higher rates of teenage pregnancy and welfare dependency two years later.

The study also showed that states which provide government-funded abortions do not achieve lower levels of welfare dependency or a lower proportion of births out of wedlock. Instead, those states have significantly higher rates of teenage pregnancy. In *Family Planning Perspectives* of November/December 1990, Shelly Lundberg and Robert D. Plotnick reported similar evidence that easy access to abortion is associated with higher rates of white teenage pregnancy. They also found that easier access to contraceptives and abortions and more generous public assistance are associated with higher rates of premarital births among white teenagers.

The Clinton administration continues to ignore what can no longer be ignored: Government sex-ed programs and school-based clinics either increase teenage sexual activity, pregnancies, and abortion or—at best—have no significant impact. The surgeon general, of all people, ought be aware of the ambiguity. Between 1987 and 1991, during Dr. Elders's vigorous condom and clinic promotion as director of Public Health in Arkansas, the teenage-birth rate rose 14 percent.

The Guttmacher Institute, a research affiliate of Planned Parenthood, published an article concluding that "the existing data do not yet constitute consistent, compelling evidence that sex education programs are effective" in reducing teen pregnancies. Reviewing all the published studies on school clinics, investigators at Northwestern University Medical School and the Depart-

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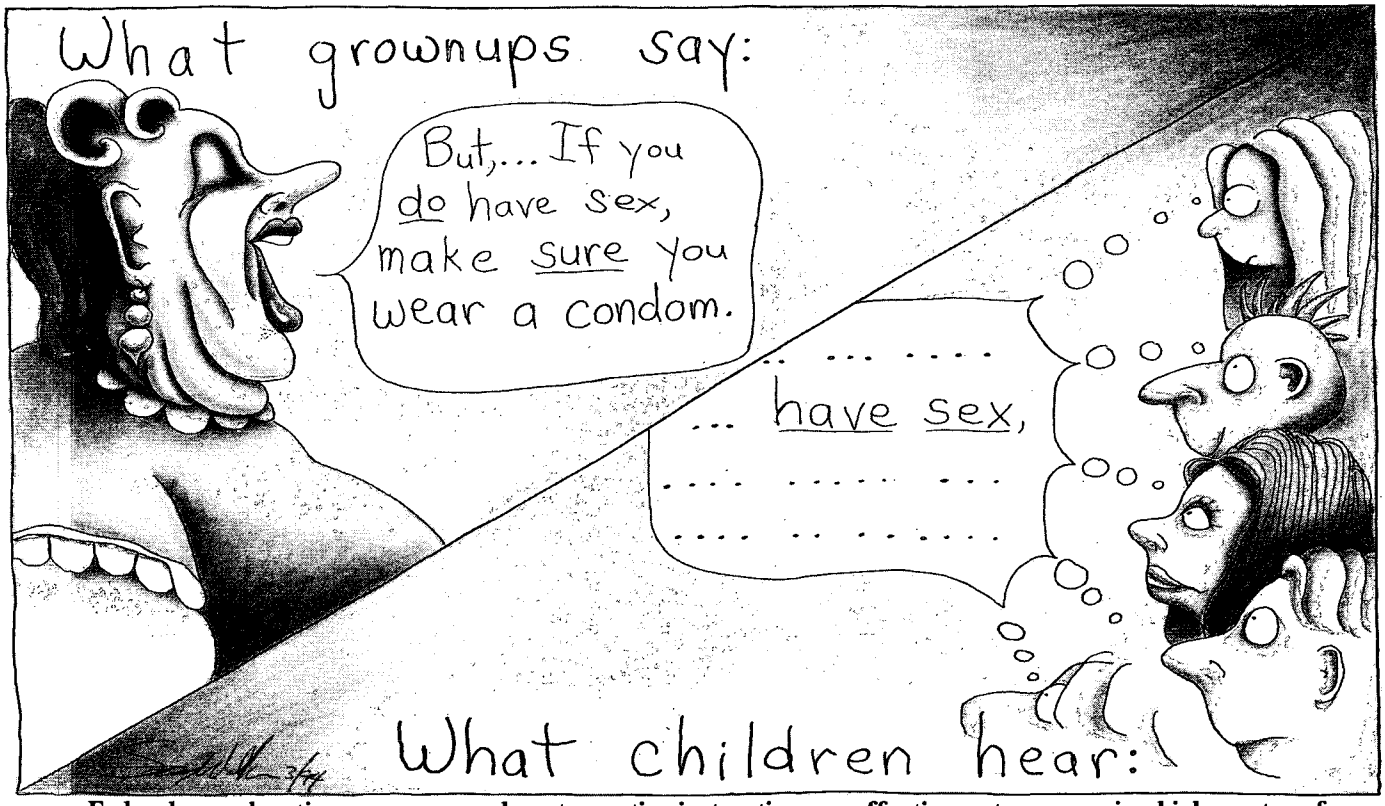

original drawing by Sam Walker for *Policy Review*

Federal sex education programs and contraceptive instruction are effective—at encouraging higher rates of sexual activity, teen pregnancy, and sexually transmitted diseases.

ment of Health and Human Services concluded: "There is little consistent evidence that school-clinic programs affect pregnancy rates." Even the National Education Association admits that there is "only meager evidence" that sex-ed programs have any effect on teen sex and illegitimacy.

Why, then, the relentless push for such programs at federal and state levels of government?

The near abandonment of common sense and moral instruction of young people in public education is part of the answer. The simple common sense of an earlier era would have suspected that talking to young people endlessly about sex from kindergarten through college, as is now the pedagogical custom, might encourage experimentation. "The philosophy that directs teens to 'be careful' or 'to play it safe with condoms' has not protected them," says Dr. Joe McIlhaney Jr., president of the Medical Institute for Sexual Health. "It has only enticed them into the quagmire of venereal warts, genital cancer and precancer, herpes for life, infertility, and AIDS." Such views, however are not in vogue among President Clinton's health and education elites.

Another related reason for the adherence to failed sex-ed programs seems to be a stubborn assumption that sexual information automatically serves as a catalyst for transforming behavior.

As social scientist Charles Murray has pointedly noted, however, almost 60 percent of the new white teenage mothers in 1991 were unmarried, compared with 18 percent in 1970. In 1991, 92 percent of births to black teenagers occurred out of wedlock, compared with 63 percent in 1970. Hispanics, who account for almost 30 percent of white teenage births, characteristically have higher fertility than other racial groups. The recent increase in teenage fertility, however, is not the result of Hispanic behavior. Fertility among non-Hispanic white teenagers increased by a third between 1986 and 1991, while the rate for Hispanics actually dropped and the rate for blacks increased only 18 percent. Clearly, the big increase occurred among young—and better educated—white women.

Not only were teenagers having rising proportions of births out-of-wedlock, but as reported by the National Center for Health Statistics, so were women of all ages. In 1960, 5 percent of all new babies were born out of wedlock. In 1991, the number topped 30 percent. This follows nearly three decades of increasingly comprehensive and explicit sex education for our children. Clearly, sexual instruction by itself cannot be expected to promote sexual responsibility. A 1991 *Newsweek* cover story admitted the obvious: "If education alone could affect people's behavior, STDs (sexually transmitted diseases) would be a thing of the past."

Better Solutions

What can be done to reduce risky youthful sexual behavior? There is a role for government, but it is largely negative: Restrictions on access to government-funded birth control and abortion have been followed by significant reductions in pregnancy and childbearing. When Ohio and Georgia stopped paying for Medicaid abortions in 1978, not only did abortion decline but so did pregnancy and births among women eligible for Medicaid.

The number of pregnancies among girls under 18 fell by 15 percent within two years after Massachusetts passed a law requiring parental notification regarding minors'

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AP/WideWorld Photos

Surgeon General Joycelyn Elders .“I tell every girl when she goes out on a date—put a condom in her purse.”

abortions. In 1981, Minnesota passed such a law. The abortion rate among girls 15 to 17 years of age fell by 21 percent between 1980 and 1985, the pregnancy rate fell by 15 percent, and the fertility rate by 9 percent. (Planned Parenthood filed suit to have the law declared unconstitutional.) States that have passed parental consent laws for abortion have seen declines in abortion and teenage pregnancies.

Then what explains the flood of claims, so enthusiastically reported in the media that government financing of contraceptives, abortions, and sterilizations prevents teenage pregnancy and saves billions in public assistance? The studies, all disseminated by family-planning interests, rely on assumptions rather than evidence. They presume that if women did not have easy access to subsidized government family planning, they would not restrain their sexual activity, nor would they buy their own condoms, but instead would engage in high levels of “unprotected,” sex.

This assumption flies in the face of evidence as well as common sense. Considerable research has shown that people do adjust their behavior to the size of the risks they face. People whose houses are insured are more likely to build on flood plains. Economists have an expression—“moral hazard”—for this well-known human tendency to take greater risks when insurance is more comprehensive and to avoid risk when uninsured. Kristine Luker reported as early as 1977 in *Studies in Family Planning* that women who had ready access to abortion were more likely to risk becoming pregnant.

In addition, the government ought to end or amend its $800,000 ad campaign on radio and television to get Americans to use condoms. For one thing, the ads suggest that responsible condom use assures a high level of protection against HIV. But the research findings thus far are simply too controversial to make such claims. A recent study at the University of Texas, for example, found that even with condoms, the risk of HIV transmission can be as high as 31 percent.

Some of the ads even serve as an inducement to teenage sex. In one of them, a popular rock star tells the audience that he is naked and that he uses a latex condom “whenever I have sex.” Not exactly a warning of the hazards of uncommitted sexual activity.

The second part of a strategy for curbing teen pregnancies is more affirmative. Leighton C. Ku and others reported in the May/June 1992 issue of *Family Planning Perspectives* that young people who had been taught “resistance skills”—how to say no—engaged in significantly less sexual activity and had fewer sex partners than students given birth-control instruction. In an abstinence-based program in Atlanta public schools, students are 15 times less likely to have sex in the year following the program than teens who took traditional sex education or none at all.

Two popular programs, *Sex Respect* and *Teen-Aid*, have done much to slow down teenage sexual activity, according to studies by the Institute for Research and Education. Both teach that abstinence is the healthiest lifestyle and discuss the emotional risks of premarital sex, as well as the risk of disease. A study of Illinois students enrolled in a *Sex Respect* course found that before the program, 60 percent of the students agreed that abstinence was the best way to avoid pregnancy. After the program, 80 percent of the students favored abstinence.

Despite critics of the program, there is a growing market for abstinence-based curricula. A 1990 study of 1,000 sexually active girls under 16 found that when asked what topic they wanted more information on, 84 percent said, “how to say no without hurting the other person’s feelings.”

Sex-Ed Corruption

After almost three decades of experience and study, the promoters of government birth control have failed to produce any evidence of its salutary effects. On the contrary, the weight of the evidence, much of it published by its own proponents, shows it to be associated with increases in premarital sex, teenage pregnancy, births out-of-wedlock, welfare dependency and abortion. Most of the young people who are growing up in this era of government family planning are like my students—unwary, basically decent. But there are others. A *New York Times* story in March 1993 featured an interview with a member of a California gang accused of raping hundreds of girls as young as 10 years old. The boy was candid enough: “They pass out condoms, teach sex education, and pregnancy-this and pregnancy-that. But they don’t teach us any rules.”

The conclusion must be that government birth control is not merely another useless, wasteful public program. If it were, society could afford to ignore it. The conclusion must be, as the common sense of an earlier generation would have predicted, that government birth control corrupts youth. ☎

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LETTERS

Bruce Frohnen, Michael Clay Smith, James J. Fotis, Christina Hoff Sommers, Denise Snyder, Kay Coles James, Ann Marston, Richard G. Lovell, Dick Posthumus, Sandra K. Danziger, Sherrie A. Kossoudji, Dennis Sturtevant, Bristow Hardin, Peter Lefkin, David Wm. T. Carroll, Sally C. Pipes, Dennis R. Connolly, David B. Kopel, John Weichsel, Merrill Orne Young, John J. Miller, James E. McClure, T. Norman Van Cott, Stanley G. Langland, Kent Jeffreys, Justin Watson, Darren Bouwmeester, Robert E. Boyar, Robert W. Clack

KIRK ON ABORTION

Dear Sir:

An example in my recent article "Has Conservatism Lost its Mind: The Half-forgotten Legacy of Russell Kirk" might lead some readers to believe that Mr. Kirk is not strongly pro-life. This would be unfortunate. Mr. Kirk has been active in the pro-life movement for many years. Further, his position on abortion is logically consistent with his opposition to contemporary "rights talk." It is not necessary to speak the language of rights in order to oppose abortion unequivocally. One need only refer to abortion as a moral wrong. To do this it is only necessary to point out that killing an innocent is always and everywhere an immoral act, and that unborn children are, by definition, innocents.

Bruce Frohnen
Bradley Resident Scholar
The Heritage Foundation
Washington, DC

BONILLA: ON TARGET

Dear Sir:

Margaret Bonilla's article ("Cultural Assault," Fall 1993) is squarely on target. Attempts to redefine rape to encompass seduction, lovers' quarrels, and gender domination diminish the horror and bestiality of true non-consensual violation.

As an expert in the field of campus crime, I have been appalled to learn that some "P.C." campuses treat rape of one student by another as a college disciplinary infraction rather than a crime. Talk about the ultimate trivialization!

To some, non-consensual sex has become more akin to a civil rights infringement than the most egregious bodily offense (aside from murder) that can be committed against the mind and soul of a woman and those who love her.

Michael Clay Smith
Professor of Criminal Justice
University of Southern Mississippi
Hattiesburg, MS

INCARCERATION PROTECTS BEST

Dear Sir:

Margaret Bonilla's article, "Cultural Assault," accurately portrayed one of the most brutally violent criminal acts all too familiar to law enforcement.

Social revisionists proffering the feminist theories Ms. Bonilla rightly rejects are not among those first at rape crime scenes. Police officers are there.

Those speaking of social revision do not look into the terror-filled eyes of rape victims. Police officers do. They do not offer needed solace for unspeakable degradations. Police officers do. And, they do not share with rape victims the frustrating experience of criminal justice proceedings where the rapist sits exuding arrogant indifference toward their crime and their victims. But again, police officers do.

Rape is not condoned or a natural by-product of a male-dominated society. Rape is a dangerous, violent, and often vicious crime committed by individuals who corrupt society's mores for their own selfish ends.

Law enforcement resoundingly concurs with Ms. Bonilla's conclusion that incarceration is society's best protection from rapists. She is right in characterizing rapists as criminals, as violent, and as recidivists. She is equally correct in deploring the fact that rapists serve little or no real jail time despite the seemingly severe sentences many receive.

Prison overcrowding should be no defense for paroling dangerous, rape-prone felons. The solution for overcrowded prisons does not require the building of a single new cell or prison. Prison capacity can be doubled, even tripled, by a simple formula: double prison space by dividing existing cell occupancy into two 12-hour shifts; triple bunk space

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by rotating a cell among three eight-hour shifts. Who can argue that eight hours of bunk time is cruel or unusual punishment?

Those inmates awaiting their sleep time should be hard at work doing something personally or socially productive. And the highest of standards, in behavior and performance, must be maintained if the prison system is to command respect and prove effective.

James J. Fotis
Executive Director
Law Enforcement Alliance of America
Falls Church, VA

Feminists a Hinderance

Dear Sir:

The feminist movement, which once did so much to raise consciousness about rape and improve the ways victims are treated by the criminal justice system, is now playing a far less creditable role. Margaret Bonilla shows us how contemporary feminism is blocking the way to a constructive approach to the problem of violence against women by diverting attention from the true causes.

Violent crime has been on the rise in America for the past three decades. This pervasive fact, as Ms. Bonilla makes clear, has nothing whatsoever to do with sexism, misogyny or patriarchy. Countries like Portugal, Turkey and Japan are far more patriarchal than America, yet they have much lower rates of rape. I have walked through the equivalent of Central Park in Kyoto at night. I felt safe and was safe, not because Japan is a model feminist society, free of patriarchal oppression, but because Japan is a relatively peaceful and law abiding society.

Violence against women is just one variety of crime against the person and rape of women is just one sub-variety. Ms. Bonilla sees to the heart of the matter: An increasing number of Americans feel free to get their gratifications at the cost of pain and misery to other people. How to cope with and reverse the tide of violence is the problem, and the sooner feminists and others focus on that and stop exploiting the crisis for their own ideological purposes, the sooner will we find the national will to begin coping. That our laws must be enforced is obvious. That a national effort to restore civility and respect must be made is just as obvious. How to do these things is a true challenge to our moral imagination and national resolve.

At the present time, the rape-crisis feminists, with their dim view of men and general hostility to "patriarchal" institutions, are playing an unconstructive role. For example, it is clear that crime flourishes when familial structures break down. Yet contemporary feminist leaders and theorists have come a long way from the days when feminism fought "intemperance" in the name of preserving the family. They now tend to think of it as a reactionary institution keeping women in thrall to men.

It is sad that the new feminism should be so socially divisive, so conceptually muddled, so resentful, and so irresponsible. Ms. Bonilla's analysis is not what we usually hear from women concerned about violence against women. I expect she knows she will be castigated as a tool of the male "backlash" for saying the sane things she says. But she is showing the way back to a responsible feminism that must direct its energies to repairing the rents in the social fabric. We owe much to her courage in being so clear and plain spoken.

Christina Hoff Sommers
Associate Professor of Philosophy
Clark University
Worcester, MA

RAPE IS NOT CONDONED OR A NATURAL BY-PRODUCT OF A MALE-DOMINATED SOCIETY. RAPE IS A DANGEROUS, VIOLENT, AND OFTEN VICIOUS CRIME COMMITTED BY INDIVIDUALS WHO CORRUPT SOCIETY'S MORES FOR THEIR OWN SELFISH ENDS.

—JAMES J. FOTIS

Women Not Idiots: Thank Feminists

Dear Sir:

Margaret Bonilla is engaging in wishful thinking when she contends that our legal system treats rape effectively. In fact, very few rapists do any jail time. Most rapes still go unreported, and of the small proportion reported, prosecutors are reluctant to pursue more than a fraction. Only a handful of those cases, in turn, make it all the way to court, where many juries then proceed to engage in victim-blaming ("she shouldn't have been in the laundromat/parking garage/stairwell/jogging trail"). More often than not, the verdict is acquittal; the few cases that actually result in convictions (less than 2 percent of reported rapes, by most estimates) generally get only minimal sentences.

This is not news to anyone who actually works in the field, and Ms. Bonilla's failure to examine the real conviction rate seriously undermines her argument.

Thanks largely to feminist efforts, the legal system is finally beginning to recognize two important facts about sexual assault. First, acquaintance rape is far more common than assaults by strangers. Second, rapists use many forms of force—threats of

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retaliation and economic reprisals, as well as fists, knives and guns.

But it's not true that women now define every unpleasant sexual encounter as rape. More than 400 calls a month come in to the hotline here at the DC Rape Crisis Center; two thirds of them involve assaults by someone the victim knows. These are women and children suffering the shock of brutal physical and emotional trauma.

Our daily experience confirms the findings in "Rape in America" (1992), a four-year national study that documents the serious psychological injuries produced by acquaintance rape: 31 percent of the victims developed post traumatic stress syndrome; 30 percent experienced severe depression; 33 percent considered suicide; and 13 percent attempted suicide.

Women are not idiots, and they are *not* calling hotlines in response to "unfortunate encounters."

Denise Snyder
Executive Director
DC Rape Crisis Center
Washington, DC

Women Must Be Responsible

Dear Sir:

Although women have had to fight long and hard to attain status equal to men, even male-dominated societies have seen the act of rape as abhorrent. Rape is a vicious and dehumanizing crime of violence that deserves severe punishment. Attempts by militant radical feminists to expand the definition of rape, however, to include virtually every form of unwanted, uninvited, or unexpected sexual conduct is dangerous. Women must be responsible for their own behavior and our legal system must be careful to define rape within reasonable limits.

Margaret Bonilla's article, "Cultural Assault," is excellent. Our society suffers because radical feminists continue to try to divide us along gender lines. While I believe fervently in equal rights for women and a Godly approach to asserting our femininity, I reject radical feminism, which often confuses "sameness" with equality. Few would argue against equal rights for women, and fewer could claim that those rights do not exist today. Wherever discrimination exists, it should be rooted out and prosecuted aggressively.

Not only does the radical-feminist approach trivialize the significance of rape from the masculine perspective, but it steals from the victims of rape their right to mourn this terribly personal crime. Being denied a promotion because of a perceived "glass ceiling" may be seen as "cultural rape" by radical feminists, but it pales in comparison with the savagery experienced by a victim of physical rape.

To expand every aspect of the sexual relationship to the point where it becomes a potential criminal act threatens to undermine the very foundation of our society—loving relationships between men and women which culminate in families.

Kay Coles James
Vice President
Family Research Council
Washington, DC

Michigan Welfare Numbers Misleading

Dear Sir:

"Michigan's Welfare Abolitionist," by Lawrence W. Reed (Fall 1993) is marred by several significant omissions.

General Assistance (GA) was eliminated for 83,000 of the state's needy citizens. Although some former GA recipients did find employment, the majority (68,000) did not, according to the League's study undertaken in conjunction with Wayne State University. Of the 16.5 percent who were employed six months after GA ended, fully half of those had those low paying jobs before the program ended. Further, while the article lauds a 37.7 percent employment rate in Michigan's Marquette County, it neglects to mention that Marquette's 230 former GA recipients are much more easily absorbed in that county's labor force of 34,300 than Flint's (in urban Genesee County) 7,000 terminated recipients in a labor force of 57,500.

While citing the goodwill of churches and charities, the article also failed to mention that as a result of a 19-percent increase in the number of people served weekly following the elimination of GA, charitable providers were forced to establish new eligibility restrictions and limit services. Even with the state's supplementation of charitable efforts through a $5.5 million Salvation Army contract and $280,000 raised through the Harvest Gathering, the gaping hole in Michigan's safety net created by the withdrawal of $240 million in General Assistance support remains.

WOMEN ARE NOT IDIOTS, AND THEY ARE NOT CALLING HOTLINES IN RESPONSE TO "UNFORTUNATE ENCOUNTERS."

—DENISE SNYDER

The number of former recipients who experienced homelessness, hunger, and compromised health—and diminished employability as a result of these conditions—far surpasses the number who found work. We believe the experience of the many more accurately characterizes the aftermath of the elimination of GA in Michigan than does the experience of the few.

Ann Marston
President/CEO
Michigan League for Human Services
Lansing, MI

Interpretation of Studies Questioned

Dear Sir:

Lawrence W. Reed is mostly accurate in his reporting of Michigan's decision to terminate General Assistance for able-bodied, childless adults. A few errors appear, however:

•Mr. Reed implies, beginning with the title of his article, that termination of GA was a welfare reform decision. In fact, the governor made no such claim. This decision was

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primarily driven by Michigan's budget problems.

•The Ford-funded study noted that only 17.7 percent of former GA recipients had ever reported income while receiving assistance. Mr. Reed interprets this to mean "82 percent had never held a job in their lives." This is not supported by the data; recipients may have worked before turning to GA, or may have worked while on GA without informing the Department of Social Services.

•The GA caseload dropped quickly in the summer months between the Governor's attempt to end the program in the Spring and final termination in the Fall, as Mr. Reed reports. However, the cause of this decrease was a decline in new applicants, not an increase in the number of current recipients choosing to leave the program (or, in Mr. Reed's words, "clients dropped off the program voluntarily"). Tracking those who chose not to apply was impossible, of course.

•As Mr. Reed reports, some clients were placed in other programs with higher benefit levels. However, review of program changes by those active in GA one year prior to the cutoff revealed the same pattern of subsequent benefit receipt; termination of GA had no effect on participation in other programs.

While not corrections, I would like to make two other points:

•As Mr. Reed reports, about one-third of former recipients worked at some time in the year following termination. Actually, this figure represents those who had Social Security taxes withheld; the true employment rate was almost surely higher. Viewed from a quarterly perspective, the results are less encouraging; in each quarter, four-fifths of former recipients had no social security withheld.

•"Hard" data from local providers like shelters and soup kitchens are difficult to obtain. However, through extensive interviews with these providers, we reported their concerns for rising demands and poor health and employability prospects for former recipients. Violence, cost-shifting (from public to private sources), hunger, and crimes like mugging and Food Stamps trafficking are also major concerns.

Robert G. Lovell
Staffing and Program Evaluation
Michigan State Department of Social Services
Lansing, MI

UNEMPLOYMENT HAS FALLEN BY 20 PERCENT, GOING BELOW THE NATIONAL AVERAGE FOR THE FIRST TIME IN 29 YEARS. MANY OF THESE NEW JOBS HAVE GONE TO THOSE WHO PREVIOUSLY HAD NO NEED TO WORK BECAUSE OF THE OVERLY-GENEROUS WELFARE STATE.
—DICK POSTHUMUS

REED ASSESSMENT RIGHT

Dear Sir:

As John Engler's campaign manager back in 1972 when he was elected to the Michigan House of Representatives, I was pleased to see Larry Reed's article about Governor Engler's success in reducing Michigan's welfare state. Since John Engler's election in 1990, he has led the way in cutting wasteful government programs, such as general assistance, that only prolonged the cycle of dependency among many of the able-bodied poor in this state.

Governor Engler has helped Michigan embark on the path of more cost-effective government. By eliminating the billion-dollar deficit he inherited and reducing taxes, John Engler has put Michigan on the road to recovery. The economic statistics tell the story: Since 1991, 338,000 new jobs have been created, leading the nation with a 7.6 percent increase versus 2.4 percent growth for the country as a whole. *U.S. News and World Report* has ranked Michigan's economic recovery the 10th strongest in the country. Unemployment has fallen by 20 percent, going below the national average for the first time in 29 years. Many new jobs have gone to those who previously had no need to work because of the overly generous welfare state.

John Engler did what was necessary to put this state back on track; in spite of what the critics say, he did it with compassion. Just look at the examples in Reed's column. They tell the story.

Dick Posthumus
Michigan Senate Majority Leader
Lansing, MI

REED OVERSTATES CASE FOR RECOVERY

Dear Sir:

In "Michigan's Welfare Abolitionist," Lawrence Reed overstates the number of former General Assistance recipients who are "able-bodied." He also overstates the success of private sector services to former recipients.

All of the follow-up studies have identified extensive health problems that require medical attention, that are costly in terms of care, and that reduce the prospects of being hired. In contrast to the presumption of "able-bodied" recipients, we find 55 percent report limitations that impede work; 54 percent report as least one chronic or severe health condition ranging from long term hypertension or arthritis to life-threatening illnesses such as cancer or stroke. Of those with such health conditions, 40 percent were without health care coverage and 60 percent were not on any type of disability benefit.

While many charitable organizations have attempted to stem the tide of suffering, these agencies report being ill-equipped to cope with the increasingly complex problems people bring to their doorsteps. And many of these organizations receive public funds. For example, over 60 percent of Detroit's emergency shelters are 50 to 100 percent funded by government sources. Mr. Engler's

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line-item erasure transferred many of the costs to other levels, or other parts of government.

Mr. Reed's bias of reporting successes could be countered with illustrations from countless numbers of people whose lives have deteriorated, whose lack of jobs and family supports have meant loss of housing, declines in health, and reduced inability to maneuver through the bureaucratic benefit system. We must not rush to declare the program closure a success before documenting changes in the economic and personal well-being and transfers of costs to other public programs.

Sandra K. Danziger
Associate Professor of Social Work
University of Michigan
Ann Arbor, MI

A Closer Look at Employment Figures

Dear Sir:

Lawrence Reed recently praised John Engler's 1991 termination of the General Assistance program in Michigan as "conservative compassion" and a "revolution in state welfare politics" that encourages lingering dependents to pull themselves up by their bootstraps.

Mr. Reed reports that nearly two years after the termination of GA, about one-third of former recipients no longer receives state support of any kind. He failed to mention that, looking at the same population, about one-third were off assistance nearly two years before the termination of GA also. In addition, this single month calculation does not indicate turnover off the rolls. Many former recipients have gone off and come back on in the intervening months.

Most GA recipients are workers when jobs are available. About 60 percent of these recipients had held a job before they first applied for GA. Many of them also worked after GA, concurrent with GA, or intermittently with GA. Nearly one in five people (18 percent) had, at some time, used GA not as a substitute for work, but as a supplement for work with wages or hours too low for self reliance. Only 10 percent have has never worked, and only 12 percent have worked since GA termination only.

The governor has repeatedly admonished that "the best welfare program is a job." Yet, job creation is not the substance of Mr. Engler's "compassion." Instead, punishment for perceived idleness was politically feasible to eliminate a budget line item. Yes, Engler's initiative was a revolution in state welfare politics. It was not a revolution in state welfare policy.

Recently, a group promoting casino gambling in Detroit accepted applications for 4,000 potential casino jobs. Despite of the fact that these were potential, and not existing jobs, more than 10,000 people lined up early to apply. These people are desperately struggling to survive. Where's the compassion? Where are the jobs?

Sherrie A. Kossoudji
School of Social Work
University of Michigan
Ann Arbor, MI

GA Needed Altering, Not Elimination

Dear Sir:

As with most issues that are controversial, the truth is usually found somewhere in the middle. Mr. Reed's assessment of the results of the elimination of general assistance in "Michigan's Welfare Abolitionist" is not in the middle. Mr. Reed's assessment reflects what he wants to see and what he wants to think has happened as a result of elimination of general assistance.

When general assistance was proposed to be eliminated, many individuals like myself supported proposals to radically alter general assistance from a handout to support for individuals with needs with the expectation of participation in legitimate employment and training, and other socially worthwhile activities to improve the opportunities for self-sufficiency. The most politically expedient approach to resolving the state's budget crisis at that time was found through the characterization of those receiving general assistance as able-bodied individuals on the public dole.

JOB CREATION IS NOT THE SUBSTANCE OF MR. ENGLER'S "COMPASSION." INSTEAD, PUNISHMENT FOR PERCEIVED IDLENESS WAS POLITICALLY FEASIBLE TO ELIMINATE A BUDGET LINE ITEM.

—SHERRIE A. KOSSOUDJI

The general assistance program, as it was operating, was a disaster. The general assistance program needed to be radically altered, but not eliminated entirely. The SDA program that replaced it had such stringent eligibility criteria that it was nearly impossible, in most cases, for a disabled person to qualify for that support. The general assistance program was indeed poorly designed and not requiring as much from many of its recipients as they were capable of, but the decision to eliminate the program was politically and financially expedient.

An appropriate response to this dilemma should have been a policy which provided for a gradual transition from the general assistance program to a new program which could evaluate the employability of individuals, and require participation of employable participants in job training and employment-seeking activities. That kind of policy would have

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been humane and would have been far more consistent with some of the other welfare reform initiatives currently underway in the state, which many of us involved in human services have supported wholeheartedly.

No policy initiative is perfect and the manner in which the governor addressed the problems in the general assistance program is one of the best illustrations one could provide about how good politics and good policy do not always go hand in hand. Mr. Reed would like is to think otherwise.

Dennis Sturtevant
Executive Director
Dwelling Place of Grand Rapids, Inc.
Grand Rapids, MI

Economy, Not Idleness at Fault

Dear Sir:

Lawrence Reed's sanguine assessment of Michigan's elimination of GA is hardly warranted, since his major points are contradicted by the findings of the very studies cited in his article. The findings of researchers from the University of Michigan, Wayne State University, the Michigan League for Human Services, and the state's Department of Social Services belie Mr. Reed's claim that the labor market, other government programs and aid from private organizations largely mitigated whatever suffering the GA elimination caused.

Since these data undermine Mr. Reed's position, it is likely his rosy appraisals stem from his disapproval of income security programs for the poor. The fundamental problem our country faces, however, is not what Mr. Reed terms "the idleness—and perhaps criminal behavior—of able-bodied single adults," but rather the failure of the U.S. economy to create enough jobs that pay a living wage. Readers should recall that Michigan's unemployment rate never fell below 7.1 percent in the 1980s (and reached 9.2 percent in 1991), despite what Reed terms the state's "robust economic growth."

This problem was not caused by high taxes (as a percent of GDP taxes are lower in the U.S. than in any of its major economic competitors) but international economic transformations. Such changes caused massive job loss in major industries, especially the auto industry, the foundation of the Michigan economy. These changes did not affect all of the state's residents equally. Between 1979 and the late 1980s, for example, the average incomes of families in the bottom and middle fifths of the population fell 14 percent and 5 percent, respectively, while those of the top fifth increased 9 percent.

Those who favor policies that force the victims of economic dislocations to suffer extreme deprivation should make their positions clear, and not obfuscate complicated public issues by producing misleading, dissembling articles about "Conservative Compassion." Compassionate, conscientious conservatives deserve better.

Bristow Hardin
National Legal Aid & Defender Association
Washington, DC

Lawrence Reed Responds

Nearly three years after the termination of Michigan's General Assistance welfare program, opinion remains bitterly divided over ending GA and whether how it was handled was good or bad. This polarization of opinion is reflected in the letters responding to my article, "Michigan's Welfare Abolitionist."

Even though Ann Marston cries "Omissions!" we are in complete agreement that about one-sixth of GA "alumni" are gainfully employed, that homelessness and hunger did increase in the immediate aftermath of the program's termination, and that a large number of former GA clients remain beneficiaries of one or more public assistance programs. After acknowledging the latter, her conclusion that denying single, able-bodied persons a monthly check represents "a gaping hole in Michigan's safety net is a *non sequitur* perhaps motivated more by ideology than logic.

From a lofty vantage point inside the Washington Beltway, Bristow Hardin inveighs against the international market forces which forced Michigan's automakers to improve quality and right-size their work forces to meet foreign competition. There is no question that Michigan's unemployment rate has long persisted above the national average, but to argue that the state's oppressive tax structure (only now beginning to become less so under Governor Engler) has no effect on employment is wishful thinking.

Indeed, most critics of the GA termination approach the issue with a blind eye to anything but the obvious "benefit" a government check bestows. They rarely see the real economic harm government does to job creation when it taxes and regulates enterprise excessively, which Michigan has long done. These same critics rarely see the dependency and loss of self-esteem and personal initiative that frequently accompany the dole. They see only innocent and worthy recipients of other people's money and the "heartlessness" of those who want to encourage independence by fostering self-reliance. In their view, poverty is always material, seldom behavioral, and invariably the fault of someone or something other than either government policies or the welfare recipients themselves. It's always easier to

THE TERMINATION OF GENERAL ASSISTANCE WAS A WAKE-UP CALL THAT MICHIGAN FINALLY HAD A GOVERNOR WHO WAS SERIOUS ABOUT RESPONSIBLE GOVERNMENT AND RESPONSIBLE INDIVIDUALS IN A FREE SOCIETY.

—LAWRENCE W. REED

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complain about poverty or make a few bucks studying it than it is to do something about it.

The end of GA was the opening salvo in Michigan's ongoing welfare reform, not the whole war. It should not be lost on anyone that other reforms of the Engler administration that have aimed at increasing participation of beneficiaries in work and education programs have helped to boost the number of AFDC recipients who are working to 25 percent, more than triple the national average.

From the front lines in Michigan, Dennis Sturtevant wishes that such reforms had been in place before the abrupt end of GA. So do we all. Arguments that a phased approach to GA's end would have been preferable have some merit; indeed, The Mackinac Center initially advised the governor to transfer the program back to the counties from whence it came in the 1970s, with a commitment to assist the counties in a phased elimination. Yet until the state budget crisis forced the legislature's hand in 1991, the prognosis for reform was grim. The termination of GA was a wake-up call to clients and politicians alike that Michigan finally had a governor who was serious about responsible government and responsible individuals in a free society.

Now it's time for critics of the GA termination to pontificate less and get active in assisting private initiatives to help the very people these critics claim to support.

Wizards of Ooze: Required Reading

Dear Sir:

James Strock's article, "Wizards of Ooze" (Winter 1994) should be required reading for every senator and representative. Superfund's retroactive liability regime is antithetical to established principles of jurisprudence and has caused Superfund to fail in its primary mission of cleaning up hazardous waste sites.

At many Superfund sites, there are hundreds of potentially responsible parties (PRPs) suing each other and their insurance carriers for indemnification. Many, if not most, of the PRPs disposed of their wastes in accordance with the laws and the standards that existed at the time. Some may even be tempted to pay what they perceive to be their proportionate share, but they fear that this would constitute an admission that could make them subject to far greater damages under the joint and several liability regime established under the law.

Unfortunately, many of the ideas enumerated by President Clinton in his 1993 State of the Union Address were not incorporated into the Superfund proposal, HR 3800, that was sent to Capitol Hill a few weeks ago. That proposal actually increases the likelihood of litigation by codifying the concept of strict, joint and several liability, which until now was a matter of judicial interpretation. Under HR 3800, Superfund liability would apply not only to hazardous wastes, but also to "pollutants," which is a far broader definition. PRPs would be held responsible for the indirect costs of Superfund, a notion rejected by the courts when a successful PRP challenged the Environmental Protection Agency's (EPA) attempt to pass along the bill for most of the administrative costs of its Chicago regional office.

The administration's proposal talks about lowering the level of litigation by creating a system of non-binding allocation of responsibilities and giving EPA the authority to settle with small *de minimus* polluters. Such legal authority exists today, but it is almost never used. Frankly, despite the rhetoric, HR 3800 promises more of the same. It increases the stakes for PRPs and perhaps intensifies their desire to forestall litigation.

I am somewhat hopeful that reason will prevail as the congressional debate of Superfund unfolds. Thus far, the legislative response to criticisms of Superfund have been framed by the career EPA staff, which seems blind to the economic as well as the environmental realities that this law has wrought.

I was pleased to see the formation of a group called the Alliance for a Superfund Action Partnership. Under the leadership of Benjamin Chavis, Executive Director of the NAACP, the group is working for the repeal of the Superfund liability regime. We can all agree that the goal of cleaning up this country's hazardous waste sites is an important one and that the current system is patently unfair and has failed miserably. It is time to stop the litigation and establish a trust fund financed predominantly by businesses and insurance companies. The trust fund's

SUPERFUND'S RETROACTIVE LIABILITY REGIME IS ANTITHETICAL TO ESTABLISHED PRINCIPLES OF JURISPRUDENCE AND HAS CAUSED SUPERFUND TO FAIL IN ITS PRIMARY MISSION OF CLEANING UP HAZARDOUS WASTE SITES.

—PETER LEFKIN

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purpose is to put an end to the litigation so we can begin the important job of cleaning up sites and restoring land to productive and tax generating use, particularly in our core urban areas.

Peter Lefkin
Vice President, Government Affairs
Fireman's Fund Insurance Co.
Washington, DC

THE HARVARD INSTITUTE OF ECONOMIC GROWTH RECENTLY ESTIMATED THAT IN THE ABSENCE OF SUPERFUND, GDP WOULD BE 2.6 PERCENT HIGHER.

—SALLY C. PIPES

SUPERFUND: WORSE THAN DESCRIBED

Dear Sir:

I agreed with much of James M. Strock's article, "Wizards of Ooze." However, CERCLA (i.e., Superfund) is much worse than he describes it.

Mr Strock said: "Strict liability means that a person is liable for damages without respect to whether he or she was at fault. This is a conventional and established standard in dealing with hazardous materials or activities."

The statement is true, but is does not truly apply to CERCLA. Under the traditional standard, a person was strictly liable only for damages he proximately caused. CERCLA eliminated the proximate causation requirement. Under CERCLA, anyone who arranges for the disposal of hazardous waste becomes liable for the clean-up. The person need only have entrusted the waste to someone else who polluted. That greatly expands traditional causation principles, beyond anything either traditional or fair.

In *United States* vs. *Pesses*, a federal district court held sellers liable under CERCLA for a recycler's site contamination where the sellers sold scrap metal to the recycler who "processed the materials which it received so as to make alloys (by 'melting, shearing, cleaning, crushing, sawing, banding, drilling, tapping, briqueting, and baling' the materials)." The court, citing Congress's intention to spare the general public any clean-up expense, found that the recycler's processing of the scrap metal was "treatment" or "disposal" rendering the sellers liable without fault or causation (other than selling the material to the recycler).

Mr. Strock cites Alfred Light of St. Thomas University Law School for the proposition that "Those who sell scrap metal to recyclers may become liable for spills at the recycler's plant, *if the sellers knew that the recycling process would include spillage.*" (Emphasis mine.)

Unfortunately, if Professor Light said that, the courts have not entirely agreed with him. As the court in *Pesses* said, "The relevant inquiry is *who decided* to place the material into the hands of a facility containing hazardous substances. Since all of the moving defendants sent scrap materials to Metcoa which necessarily required processing in order to be productively used, they 'arranged' for the treatment and disposal of hazardous substances there." (Emphasis in original.) The court required no knowledge (or even a "should have known") that the process would include spillage. The court required only that the sellers sold the scrap for processing.

This, of course, carries liability without fault to a new low. It is grossly unfair to require a seller of recyclable material to be strictly liable for the recycler's mishandling. It undermines public policy that should favor recycling. It leaves the seller of the scrap nowhere to go, but encourages use of the Midnight Disposal Company, which keeps no records. That can hardly be considered good public policy.

David Wm. T. Carroll
Columbus, OH

SUPERFUND DRAINS ECONOMY

Dear Sir:

Congratulations to James Strock, a committed environmentalist, for recognizing that the federal boondoggle called Superfund is in need of major surgery. Superfund, which devotes 88 percent of its expenditures to lawyers' fees, is quickly becoming to environmental programs what mohair subsidies are to agricultural support programs.

Superfund has become an enormous drain on the U.S. economy that must either be drastically reformed or abolished. Although only 10 percent of identified sites have been "cleaned," Superfund compliance costs represent $112 billion, 2.1 percent of GDP. Economists at the Harvard Institute of Economic Growth recently estimated that in the absence of Superfund, GDP would be 2.6 percent higher. The real cause for alarm, however, is that sites are currently being added to the Superfund list at twice the rate at which they are being removed.

One of Mr. Strock's most valuable suggestions was that "Superfund" be delegated to the states. J. Winston Porter, president of the Waste Policy Center, recently corroborated the efficacy of this solution in the pages of the *Wall Street Journal.* Mr. Porter notes that while the typical federal project takes 10 years to complete, at an average cost of $30 million, states have long been getting the job done quicker for less money. Minnesota, according to Mr. Porter, takes only two to three years to cleanup a site at an average cost of $5 million. Wisconsin, with its 227 completed sites, has already done more for the environment than the whole apparatus in Washington.

Superfund accounts for 25 percent of the Environmental Protection Agency's budget. In line with Vice President Gore's passion for streamlining government, Superfund should be given to the states, if not completely abolished.

Sally C. Pipes
President
Pacific Research Institute for
Public Policy
San Francisco, CA

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SARA Does Distinguish

Dear Sir:

I am writing to applaud James Strock's significant contribution to the consideration of the restructuring of the Superfund. It is always important when someone of Mr. Strock's knowledge and background suggests that a program is failing and then offers effective remedies. Nevertheless, I still have two quibbles with the article.

First, I believe the SARA (Superfund Amendments and Reauthorization Act of 1988, section 119) did grant clean-up contractors a negligence rather than strict liability standard. Therefore, the letter of the law, at least, distinguishes between those who pollute and those who clean up.

My second quibble is with Mr. Strock's ready acceptance of joint and several liability. The experience of our clientele has shown that it is routinely unfair, an impediment to the sharing of improved technology, and a deterrent to the creation of an effective insurance program. I believe that joint and several liability is one of the prime culprits in the ironic circumstance that, prior to Superfund and concerns about toxic exposures, insurance coverage for the harms caused by these exposures was widely available and has now disappeared. So, if anyone is harmed, there is a reduced likelihood that they will be compensated.

Dennis R. Connolly
Principal and Senior Vice President
Johnson & Higgins
New York, NY

Strock Suggestions Fall Short

Dear Sir:

James Strock incisively details some of the problems with Superfund's retroactive liability scheme. But Strock's worthwhile suggestions for reform stop far short of what is needed for a serious repair of the ailing Superfund program. As an essential first step, Congress must provide better guidance for realistic cleanup standards. One reason that Superfund costs so much is that cleanups are frequently driven by a desire to chase tiny amounts of pollutants all the way down to the detection limit. Cleanup standards are frequently set on the basis of implausible land-use scenarios. For example, a tract in an industrial park may have to make its dirt so clean that small children could eat the dirt regularly without even a small risk of adverse effects.

In addition, Superfund's enforcement mechanisms are unfair. No matter how arbitrary or misguided an EPA cleanup order, recipients of the order are not even allowed to petition a court to review the order before the order is enforced. The "entry" provision of Superfund's section 104 conflicts with the language and traditional understanding of the Fourth Amendment, since the provision allows any EPA employee to enter "any ... facility, establishment, or other place or property where any hazardous substance or pollutant or contaminant may be or has been generated, stored, treated, disposed of, or transported from." Defenders of property rights should not tolerate a statute that literally authorizes EPA to search anywhere in the country. (Even a discarded bottle of nail polish, or an empty can of paint thinner counts as "hazardous substance" under Superfund, thus authorizing EPA entry into any home in the United States.)

Finally, we must ask why there should be a federal Superfund law at all. States are perfectly capable of setting up their own programs and standards for the cleanup of contaminated sites within state boundaries. Only through a tenuous overextension of the Interstate Commerce power does Congress have authority to enact Superfund-type laws in the first place. Perhaps it is time to recognize that for pollution cleanup—like grade-school education, street-crime control, regulation of doctor's offices, and a host of other issues—the United States would be better off if the federal government stopped intruding into areas which could be far more intelligently addressed by state governments.

David B. Kopel
Research Director
Independence Institute
Golden, CO

A National Disgrace

Dear Sir:

"The environment is too important to be left to the environmentalists." James Strock's article "Wizards of Ooze" is absolutely on the money. Superfund is a national disgrace.

There are so many mistakes in the law that it is hard to cover them all, but let us consider the worst.

Retroactive liability is clearly the worst part of a very bad law. My town ran a dump from 1920 to 1967. It was run legally and in conformity with the standards and technology of the day. It closed 13 years before CERCLA was passed. Three named PRPs have spent millions on consultants and attorneys for a site that go into the $30to $80 million range. Why should anyone who operated or used the dump have to pay for clean-up? This is innately unfair. The U.S. Treasury Department has correctly characterized this as a perversion of the "polluter pays" concept. We were not polluters. After an anti-pollution law is passed, people who violate that law can be called polluters. People are not clairvoyant; towns in the 1920s, 1930s, 1940s, etc., cannot know that knowledge and technology will change in 1980.

Retroactive liability is unfair and must be immediately changed. There are only 2 reasons it hasn't

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been changed. First, the United States is $4 trillion in debt. Well, that is not the fault of pre-1980 "polluters." In the 1950s the federal government started to fund 75 percent of sewage treatment plants. That program was very successful and has cleaned up the country's waters. The same approach must be used on pre-1980 Superfund problems. Second, the "greens" want to send a message to "polluters." Unless we enlist the help of H.G. Wells's time machine, there is no way to send a message to 1980 and before.

John Weichsel
Town Manager
Southington, CT

AFTER AN ANTI-POLLUTION LAW IS PASSED, PEOPLE WHO VIOLATE THAT LAW CAN BE CALLED POLLUTERS. PEOPLE ARE NOT CLAIRVOYANT; TOWNS IN THE 1920S, 1930S, 1940S, ETC., CANNOT KNOW THAT KNOWLEDGE AND TECHNOLOGY WILL CHANGE IN 1980.

—JOHN WEICHSEL

JAMES STROCK RESPONDS

The supportive comments of Mr. Lefkin, Ms. Pipes, Mr. Connolly, and Mr. Weichsel are appreciated. Rather than indulge the "vanity of small differences," I will follow Mr. Lefkin's focus on President Clinton's Superfund proposal, HR 3800.

The Clinton proposal appears intended to preserve the Superfund status quo. Nonetheless, while the administration's approach is timid, they should be credited with a step forward in acknowledging some of the right issues—transaction cost reduction, reform of disincentives to urban redevelopment, increased state responsibility, and so on.

If it appears Mr. Clinton's current approach is likely to prevail, I would urge Superfund reformers to focus on accountability *indicia*. Congress should insert specific language on program accountability (including regulatory budgeting and specific performance measures) that will allow for considered public judgment on an annual basis.

SURRY COUNTY MUST LOOK TO FUTURE

Dear Sir:

Surry County is just as extraordinary as Brian Jendryka says. He is right, too, in praising Charles Pettaway, Thomas Hardy, and the Surry Assembly, and the other pioneers who galvanized the African American majority of the citizens. As a white citizen of Surry, I am sorry that Mr. Jendryka did not also mention M. Sherlock Holmes, who was chairman of the first black majority Board of Supervisors and who led the county from that office until he retired two years ago. Mr. Holmes, by his profound decency and evident fairness, allowed white people to feel that although they had been displaced as rulers, they were still counted as valued citizens of the county.

This aspiration towards a black-led but non-racial county government flows from the same powerful influence of Christianity in this community that, along with its social stability, Mr. Jendryka rightly emphasizes.

After full account is taken of the bravery, competence, and decency of Surry's African American leadership, and after the assembly system sponsored by the National Association for the Southern Poor has received full credit as an excellent method of community organization, Surry's extraordinary progress still owes a lot to sheer good fortune. The county's special circumstances have enabled Surry's black leaders to capitalize on the traditional strengths of Southern rural communities while escaping the deep, grinding poverty with which such communities are commonly afflicted.

Part of the reason is geographical. Surry County lies midway between two cities, Richmond and Hampton Roads, and it is separated by the James River from the rampaging growth of Williamsburg. Although the great majority of the people of Surry were born here, economically the county has become a suburb.

Surry's other piece of special good fortune Mr. Jendryka did mention, but hardly with the emphasis it deserves. The Virginia Power Company annually pays Surry County in taxes for the Surry nuclear power plant what amounts to more than a thousand dollars for every man, woman, and child living in the county. It is too optimistic to imply, as Mr. Jendryka seems to do, that any rural county can achieve what Surry has achieved if only it establishes a county assembly.

I fear that Surry County's present amenity will prove fragile. In order to keep Virginia Power's taxes high we have to keep increasing our own, to the point where the traditional dominant land uses of the county, farming and timber growing, are in danger of becoming no longer economically viable.

We are being approached from all directions by advancing urbanism. Cheap land and good schools have been attracting a slow but steady immigration of working class white people from east and west, and just to the north a horde of middle-class people, also white, are poised to invade from Williamsburg and James City County the moment the present laborious ferry crossing of the James River is replaced by a bridge. This ancient, stable, and wholly admirable community that has achieved so much will be drowned in newcomers. Our experiment in black-led, non-racial government will be washed away.

What can the National Association for the Southern Poor do for us then?

Merrill Orne Young
Surry, VA

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The Creeping Rot of Reinterpretation

Dear Sir:

Renee Swanson is right to point out that the great books still thrive in today's academy. But the problem isn't that today's students read too much Franz Fanon, it's that they're taught to read the good old stuff in bizarre new ways. Multiculturalists reinterpret Shakespeare's *The Tempest* as an attack on Western imperialism. Radical feminists turn Bronte's *Wuthering Heights* into a subversive critique of patriarchy. I once sat through a college lecture in which Milton's *Paradise Lost* was treated as an example of "rape culture." The list goes on.

At least the new academic regime continues to assign Homer, Chaucer, and Hawthorne. Students who actually read the material (rather than the Cliffs Notes) will still interact with much of the best that has been thought and said, no matter what their professors tell them they should think and say about it. For the time being, perhaps that's enough.

John J. Miller
The Center for the New American Community
Manhattan Institute
Washington, DC

Welfare System Perverts Incentives

Dear Sir:

Matthew Spalding's article "From Pluribus to Unum," (Winter 1994) brings to light the importance the Founding Fathers attached to the assimilation of immigrants. Although otherwise excellent, Mr. Spalding's article neglects to emphasize that the Founding Fathers endowed Americans with an economic system in which immigrant assimilation was in the interests of immigrants and Americans.

Secure private property rights and open markets were the bedrock of this system. This meant that immigrants survived and prospered to the extent their production served the interests of Americans. Consequently, immigrants had obvious incentives to learn the language, culture, and philosophy of their American hosts. U.S. history is filled with examples of immigrants benefiting not only themselves, but also the Americans who employed them and consumed what they produced. American capitalism was (and is) a powerful engine for immigrant assimilation.

Unfortunately, the welfare state's explosive growth over the last 30 years gives credence to the Founders' fear that immigrants could be a divisive force in America. Assimilating immigrants into the American welfare subculture is hardly what the Founders had in mind. Immigrants in the welfare subculture hit Americans with a double whammy. First, immigrants not working means they need not benefit Americans in order to survive. Second, immigrants can slice themselves a piece of the U.S. economic pie at the expense of American taxpayers.

The current xenophobic backlash against immigration is understandable, yet wide of the mark. Americans must look beyond immigration and see that the welfare state has perverted the Founders' vision of assimilation, turning immigration from friend to foe in America.

James E. McClure
Assistant Professor of Economics
T. Norman Van Cott
Professor of Economics
Ball State University
Muncie, IN

Failure to Assimilate is Causing Friction

Dear Sir:

Seven pages devoted to the immigration issue in the Winter 1994 issue of *Policy Review* provide useful history showing how the Founding Fathers placed key emphasis on the need for assimilation of immigrants.

However, the article leads us up to the edge of making a major point and then fails to make it. It seems to make a very guarded suggestion that maybe, in the light of current realities, we could be concerned. It shrinks from the hard truth that we had better be mightily concerned.

Traditionally, very high proportions of immigrants to this country saw the need to assimilate: To become citizens, to learn English, to take active part in public affairs, and contribute to the economy. This is what they did, proudly, and with great benefit to the nation. Most of them did so while retaining a healthy respect for their national origins elsewhere.

Some of today's immigrants show the same pattern, but they represent far smaller portions of the immigration totals. Immigration realities have drastically changed, and as a nation, we are reluctant to acknowledge it. We avert our eyes as though we dare not discuss it, or print it, in polite society.

Vast numbers of today's immigrants have no intention of assimilating, preferring ethnic separatism. They shun citizenship, retain their language apart from English, cling to their ethnic enclaves, viewing this country not as an adopted home, but rather as a place where they can enjoy all the rights of citizenship without any corresponding responsibility. Self-appointed "leaders"

THE PROBLEM ISN'T THAT TODAY'S STUDENTS READ TOO MUCH FRANZ FANON, IT'S THAT THEY'RE TAUGHT TO READ THE GOOD OLD STUFF IN BIZARRE NEW WAYS.
—JOHN J. MILLER

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preach the politics of victimhood, and the news media ratify it.

The result is enormous public expense, in education, public safety, legal costs, welfare, environmental quality, and ethnic friction. Perhaps the biggest cost of all is the erosion of English as our common language, without public understanding of how vital to any nation is a common language.

In all of this, our own institutions facilitate today's multi-cultural mentality in what must be one of the greatest myopias of world history. Not only recent immigrants, but unassimilated groups of native born as well, are draining away our sense of nationhood. We are committing national suicide, and few dare to believe it.

Stanley G. Langland
Belmont, CA

All Lynchings Are Local

Dear Sir:

If Representative Richard Armey ("Freedom's Choir") means to suggest that libertarians and other free-market supporters should ignore or accept the illiberal aspects of social conservatism, he fails to convince me. In too many instances "conservative correctness" poses a direct threat to liberty and should be vigorously opposed by right-thinking individuals.

Rep. Armey is right for the wrong reasons when he argues that the "central government" should not "take sides on disputed value questions." In general, libertarians would agree because they recognize that almost all values are disputed. However, local tyranny often poses as great a threat to liberty as any that the central government could devise. All lynchings are local, one might say. When a state or municipality targets a particular class or individual it is unacceptable to suggest, as does Mr. Armey, that the victims could "vote with their feet and move to a less restrictive jurisdiction."

Sadly for the party of Lincoln, if the "central government" had not taken sides in a certain "disputed value question," African-Americans might still be denied the right to vote (with a ballot, rather than with feet) across the South. Rep. Armey should be aware of the venal behavior of many conservatives during the civil rights debates of the 1960s. A similar historical judgment awaits today's cultural conservatives on a number of social issues.

Furthermore, libertarians are opposed to using the American military capacity as a world police force, and opposed to massive defense budgets. Conservatively correct attacks on homosexuals are motivated by fear and bigotry, not dedication to individual liberty. Mandatory minimum sentences, pornography and prostitution laws, and the war on drugs find little support among libertarians. Yet Mr. Armey proudly asserts that conservatives "own the crime issue."

Ironically, Rep. Armey complains about the efforts of some who appeal to the moral weight of government as this may unfairly tip otherwise neutral citizens toward the government position. Yet he sees no problems with conservatively correct appeals to the authority of God on any number of disputed moral or legal issues. For example, Pat Robertson has made statements as outrageously false as anything propounded by Louis Farrakhan, yet Mr. Armey practically embraces the founder of the Christian Coalition and others like him.

Of course, the ugly side of cultural conservatism—xenophobia, sexism and raw bigotry in many forms—has equally ugly counterparts on the socialist left. Yet that does not excuse the conservative correctness defended by Mr. Armey. While it is not unexpected that a partisan politician would pander to potential voters, libertarians should carefully consider the compromises they make when they form political coalitions with the conservatively correct. "CC" is as bad as "PC."

Kent Jeffreys
Washington, DC

IN TOO MANY INSTANCES "CONSERVATIVE CORRECTNESS" POSES A DIRECT THREAT TO LIBERTY AND SHOULD BE VIGOROUSLY OPPOSED BY RIGHT-THINKING INDIVIDUALS.
—KENT JEFFREYS

Religious Right Not Entirely Defensive

Dear Sir:

In "Freedom's Choir" (Winter 1994), Dick Armey tries to reconcile the difference between social and economic conservatives with a common "Freedom Agenda." To effect this reconciliation, Mr. Armey characterizes the religious right as "entirely a defensive movement." Defensive, yes. Entirely, no. The defensive nature of the religious right is often overlooked. Millions of evangelicals and traditionalist Catholics began to organize politically because, as Rep. Armey writes, "in the 1970s they felt their way of life to be under subtle but determined attack by federal policies." The full story is much more complex but most of America might never have heard of Jerry Falwell if the IRS had just left Christian schools alone. According to Mr. Armey, all the religious right wants is neutrality, not hostility, from government.

The religious right, however, is not entirely a defensive movement. Rep. Armey incorrectly minimizes the incidence of "intemperate remarks" and relegates "a more expansive view of cultural conservative goals" to the margins of the movement. The cry for a return to "a Christian America" has been as central to the religious right as its objections to specific federal policies and judicial decisions.

It is true the movement has pursued relatively modest policy goals. With pragmatic leaders, such as Ralph Reed of Christian Coalition, it will continue to practice the art of the possible. But the religious right

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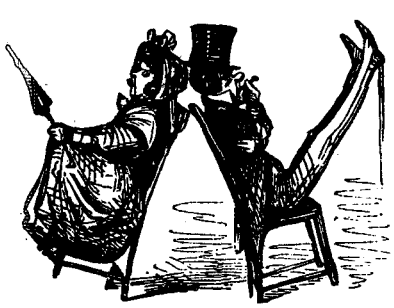
has mobilized its supporters and contributors with jeremiads—lamentations for lost glories, dire prophecies, and calls for repentance. When Patrick Buchanan called upon the 1992 Republican convention to "take back our culture and take back our country" he was speaking for the heart, if not the mind, of the religious right.

Neither Pat Robertson nor his opponents have forgotten the cultural and social power which Evangelicals once exercised in America. The ghost of lost hegemony haunts all of Ralph Reed's calls for "strategies of persuasion, not domination." The defensive element in the agenda of the religious right is obscured by its implicit hopes and explicit calls for a *reconquista* of American Culture.

What will it take to heal the breach between social and economic conservatives? A common agenda is necessary. But economic conservatives will want to know that the common agenda is the religious right's only agenda, that social conservatives just want their rightful place, and only their rightful place, at the political table. This, however, may be asking too much. Can any movement survive the sacrifice of its special vision, driving purpose, and gut appeal to its basic constituency? The attempt to tame the religious right may kill it. Good news or bad news? You decide.

Justin Watson
Department of Religion
Florida State University
Tallahassee, FL



Individual Rights, Not Group Rights

Dear Sir:

In "Freedom's Choir," Congressman Richard Armey made a most erudite reconciliation between the viewpoints of social conservatives and libertarians. I would differ with his approach concerning that of the so called "gay agenda." As for Senator Goldwater's opinion on the "gay agenda," it is ironic that one such as Barry Goldwater, who made so many principled stands for Conservatism, should now abandon his principles in favor of expediency.

First, even the terminology "gay agenda" presumes that the persons involved are not seeking rights on the basis of his or her innate individual rights, but rather on the shaky ground that they belong to a special interest group. The counter-argument to that line of reasoning might be that the government chooses to discriminate against a certain portion of the population strictly on the basis of one's membership in that special interest group. However, special interest groups do not innately possess rights. Any rights that they possess are dependent upon the basis of their union (or basis of fraternity), and whether it is protected by the Constitution.

In the late 1980s, the Supreme Court found that sodomy was, in fact, not protected by the United States Constitution. Of course, that decision was made before Justice White was replaced by Justice Ginsburg. However, the basis for the original argument of that case remains—the Constitution does not discuss sodomy, or homosexuality for that matter, and therefore it is a matter for the states. So in effect, if homosexuality is to be sanctioned, or condemned, it must be done so by the states according to their Tenth Amendment powers. Therefore, homosexual rights are not a case of freedom, but rather one of federalism. If anyone should understand federalism and the Tenth Amendment it should be Barry Goldwater.

Secondly, assuming that the homosexual lifestyle is simply that, "a lifestyle," any claim of individual freedom is dependent upon the intrinsic value of that lifestyle. All lifestyles are not innately protected by the Constitution, including the 14th Amendment. Alcoholics, drug addicts, child molesters, and others with prurient tastes have all found that their particular lifestyle is not protected by any portion of the Constitution. Some libertarians may argue that alcoholism and drug addiction are matters of individual liberty. However, as those behaviors have far-reaching societal effects, they are not and should not be protected. The individual rights that homosexuals do possess are based on their natural rights as human beings, not on any societal acceptance of their lifestyle.

Regarding any "social consensus," it should be finally remembered that this is a republic and not a pure democracy for a reason. If the public's apparent desire for some kind of nationalized health care proves anything, it is that the tyranny of the majority is also a preventative measure against inane or unwise legislation. A social consensus on homosexuality's legitimacy may possess the might, but that does not necessarily mean that it has the right.

Darren Bouwmeester
Berkeley, CA

CAN ANY MOVEMENT SURVIVE THE SACRIFICE OF ITS SPECIAL VISION, DRIVING PURPOSE, AND GUT APPEAL TO ITS BASIC CONSTITUENCY? THE ATTEMPT TO TAME THE RELIGIOUS RIGHT MAY KILL IT.
—JUSTIN WATSON

Paying the Price for Power Failure

Dear Sir:

Michael McKenna's "Power Failure" (Winter 1994) ignores key areas related to nuclear power and incompletely addresses the energy market. Prior to the time that nuclear power plants were burdened with excessive

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regulation and the construction of many plants was mindlessly delayed in the courts for many years, nuclear power was the least costly way to generate large quantities of electricity. The latest advanced designs for the pressurized water and the boiling water plants will be competitive with coal, and the first ones will be constructed in Japan, South Korea and Taiwan. McKenna does not even mention that nuclear plants generate electricity without producing environmentally threatening carbon dioxide; neither do they release "trace" elements like arsenic, cadmium, lead, mercury, etc., to the environment in the tons-per-year quantity. How would McKenna's economics look if a carbon tax were instituted by some of our zealous politicians?

Argonne National Laboratory's Integral Fast Reactor (IFR) not only has the above environmentally beneficial attributes, but it also "burns" its own waste and can "beat swords into plowshares" by converting weapons-grade plutonium to electrical energy while denaturing the plutonium, thus making it useless to those nations that presently are thinking/planning to acquire nuclear weapons capability.

Mr. McKenna's myopic article covers the period when insufficient electrical power brought our government nearly to a standstill on January 20, 1994. The one million kilowatt Shoreham nuclear power plant on Long Island, which was forced to be dismantled by environmental extremists, could have made a difference in this situation, and would provide a safety margin to protect against future brownouts/blackouts. Our country is just starting to pay the price for our foolish restrictions on nuclear power. The future harm to our country's economy and environment is certainly open to speculation.

Robert E. Boyar
LaGrange, IL

Leave Energy Policy to the Free Market

Dear Sir:

Michael McKenna's article, "Power Failure," (Winter 1994) makes valid criticism of our government's efforts at industrial policy in the energy market.

Almost from the moment that Col. Drake drilled the first oil well in 1859, there were cries of alarm about an impending shortage of oil. And small wonder. It can be shown with immutable logic that the world is running out of oil. And it has been shown over the past 80 years, with only slightly less compelling logic, that the end of the oil era was to be near at hand. It was that conviction which informed our government, and the governments of most of the industrialized nations of the world. It was that logic which led to major government effort to convert coal to oil, shale to oil, and tar sands to oil.

By the early 1950s the challenge was thought to be desperate and that led to the "Atoms for Peace" program, the great government effort to develop commercial nuclear energy. As it turned out, nuclear energy has been reasonably competitive and it would be much more so were it not for the machinations of the anti-nuke lobby. Through obstructionism and delaying tactics, that lobby managed to drive the capital cost of nuclear power plants, in the United States, from approximately $1,000/Kw (of installed capacity) to approximately $4,000/Kw. They managed to stretch the completion times for major reactor projects from an initial five years to something between 12 years and infinity. Especially in an era of double digit inflation (and interest rates), this delay had a powerful adverse impact on the ultimate cost of a Kw-hr of electric energy.

Returning to Mr. McKenna's point, our government should never have concerned itself with energy economics. Left to the competitive free market, a substitute for conventional oil will appear at just the magic moment, even as coal appeared just when it seemed that mankind was about to harvest the last tree from the earth.

What might that substitute be? No one can say with confidence. The answer depends upon developments which have not yet unfolded and which cannot be foreseen. Solar, and perhaps wind energy sources would be competitive now were it not for the high cost of storage during times of abundance for use in times of need.

When we burn coal or oil or fission uranium we are utilizing energy already stored by nature. Indeed, when we burn wood we are utilizing energy stored by nature. But solar cells are much more efficient at capturing solar energy than are trees. If we can reduce the storage costs for solar energy, *i.e.* make a much better "battery," the game is won.

Technology, as with fundamental discovery, proceeds at its own pace. Government can force the pace somewhat, but it cannot necessarily change outcomes. There are a dozen or more possible substitutes for conventional fuels. With free societies, free inquiry and free markets, the market will produce the appropriate substitute(s) as they are needed. Government intervention can do nothing but make the solution to these challenges more expensive.

Robert W. Clack
River Ranch, FL

WITH FREE SOCIETIES, FREE INQUIRY, AND FREE MARKETS, THE MARKET WILL PRODUCE THE APPROPRIATE ENERGY SUBSTITUTE(S) AS THEY ARE NEEDED. GOVERNMENT INTERVENTION CAN DO NOTHING BUT MAKE THE SOLUTION TO THESE CHALLENGES MORE EXPENSIVE.
—ROBERT W. CLACK

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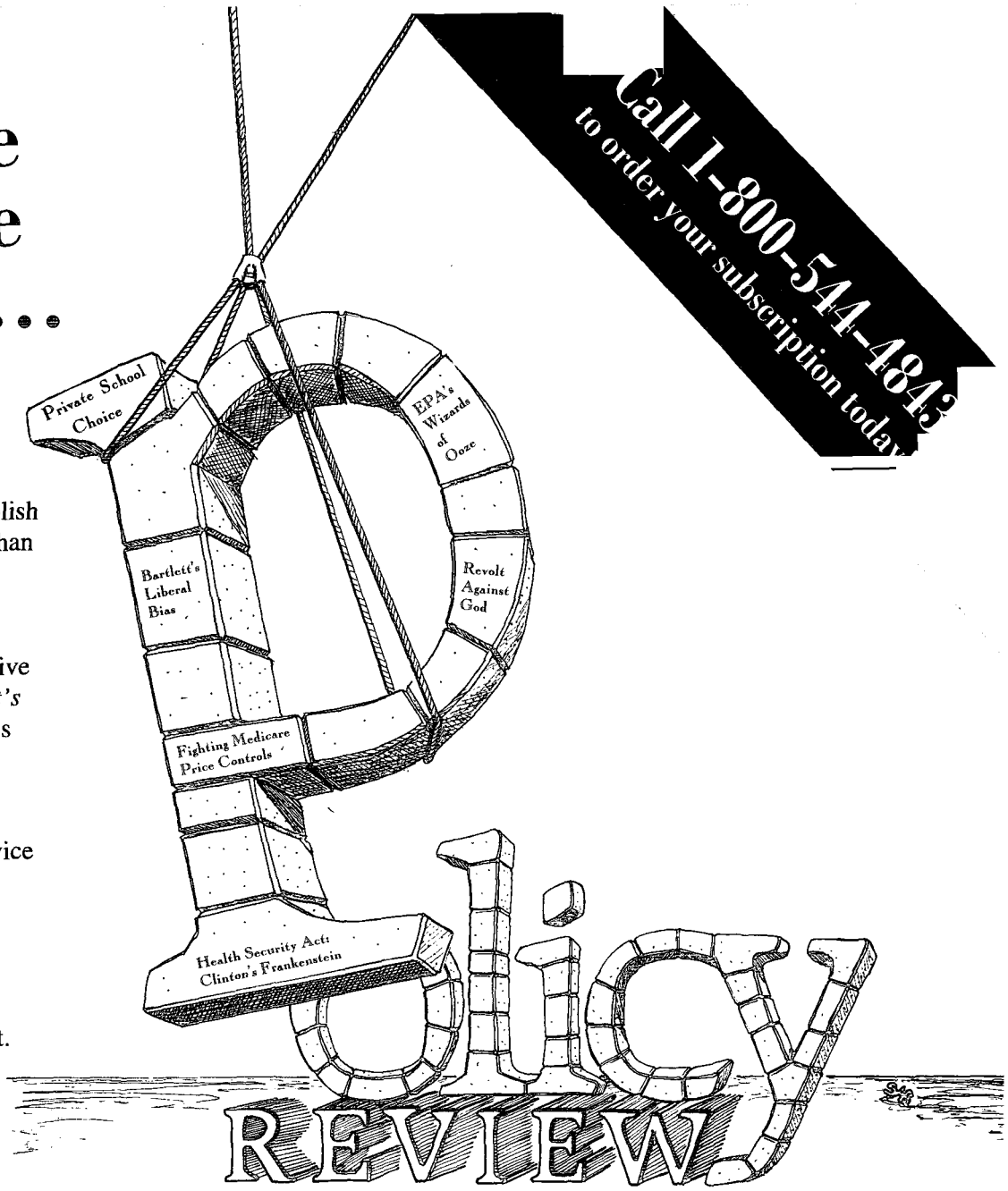

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policy REVIEW

The University of Alabama's Legion Field has a long, rich tradition of victory. At that stadium legendary coach Bear Bryant and his Crimson Tide posted one of the most successful records in sports history. Now the stadium is the site for another trophy: A huge, $75,000 Mercedes-Benz hood ornament perched atop the scoreboard. While intended to celebrate the car company's recent decision to locate a $300 million plant near Tuscaloosa, it has become a symbol of how much, in money and self-respect, the state had to give up to win the high-stakes bidding war for the plant.

John Hood
Ante Freeze:
Stop the State Bidding Wars for Big Business

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